



Compensating Balances for Business Loans

CompensatingBalDNAapp.dnax
DNAapp ID ff0c930b-9155-4352-aa0d-28b31f64d1cc

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Overview:

The Compensating Balances for Business Loans DNAApp enables Financial Institutions to offer business customers preferred commercial loan rates based on their average deposit balances without placing a “hold” on the linked deposit accounts. Using this DNAApp, commercial lenders can link a customer/member’s deposit accounts to a loan with a contractual average balance threshold (“compensating balance” or “offsetting balance”) that provides a means for adjusting the loan rate based on whether the borrower stays in compliance with this agreed-upon balance threshold.

The DNAApp lets commercial lenders link a wide range of deposit products, including time deposits, savings accounts, and even more volatile operating accounts to a commercial loan and require the borrower to maintain an average linked balance threshold to maintain a preferred loan rate. If the average linked deposit balance falls below this threshold, the lender can choose to have the loan rate adjusted to a higher rate with a single click. The lender also has the freedom to easily lower rates back should the average deposit account balance be raised to a sufficient threshold, or in either case, choose not to adjust rates at all.

Key Benefits:

The Compensating Balances for Business Loans DNAApp helps offset the cost of loans by encouraging borrowers to maintain higher balances in their linked deposit accounts while simultaneously giving institutions a way to generate additional interest income if the threshold is not met. The DNAApp provides the Financial Institution with flexible setup, review, revenue generating possibilities and risk management, which include:

- The ability to link a variety of deposit accounts to a loan account to be used in average balance calculations.
- Inclusion of additional deposit accounts beyond the tax owner if desired, which means small businesses such as sole proprietors can link personal accounts, if the Financial Institution allows.
- Financial Institution flexibility to set an average balance calculation period (i.e., 30 days, 60 days).
- A review screen that can be filtered by Financial Institution or Commercial Lender for portfolio analysis, so the Commercial Lender to review this data from a single screen at any time to help monitor the relationship.
- Loan account-level balance threshold and rate adjustment variables.
- Data display of pertinent loan information for these loan accounts, including current and “penalty” rates, average linked deposit account balances, and threshold information.
- Commercial Lender control for each account relationship so the Lender can review data and make the decision on whether to adjust the rate.
- Single-click processing to update or revert a loan account rate should the average deposit balance fall below/return to the threshold established for that relationship.
- Option to allow either multiple incremental rate adjustments (increase and decrease) or only a “one up, back down” rate adjustment.
- Full activity audit trail and reporting capabilities.
- Built-in standard authorization security for both inquiry-only and updating capability.
- Ability to change interest rate changes online or via scheduled batch application.

Processing:

The Compensating Balances for Business Loans application is designed for Commercial Lenders to easily manage their commercial accounts and ensure that each Compensating Balance meets the minimum Threshold the accounts are contractually obligated to maintain.

To gain access to the Compensating Balances screen, the User must be assigned the ‘ARAI - Adjust AcctRateHist App Auth Item’ authorization item.

After gaining permissions to the ‘ARAI - Adjust AcctRateHist App Auth Item’ authorization item, the User must be granted authorization and permissions to Core API 7719, which allows the User to change the interest rate through the use of the Compensating Balances for Business Loans application screen.

A new Authorization Profile ‘ARAU - Adjust AcctRateHist App Auth’ has been created and contains the new authorization item ‘ARAI - Adjust AcctRateHist App Auth Item’ and the existing Core API 7719 authorization item.

The User must also be granted RATE - Account Rate Maintenance’ Authorization Item to modify the interest rate through the use of the custom Compensating Balances for Business Loans application screens.

The User must also be granted ‘AMNT - Account Maintenance’ Authorization Item to perform Loan Account maintenance in accordance with the custom Compensating Balances for Business Loans application screens.

The User must also be granted ‘7936 – CAPR 7936’ Authorization Item to access the Sync Rates button and update the interest rates with the Sync Rates button functionality.

When setting up the Compensating Balances variables, the Deposit Roles Value can be null. If the Value field is set to null, then all Deposit Accounts that are under the same ownership as the Loan Account, will be displayed as eligible to link on the Compensating Balances Information screen. If specific account role codes are inputted into the Value field, then the Deposit Accounts with the designated Account Role(s) will also display.

Variables

Selection Criteria

Calculation Type Compensating Balances Show History

System Variables

Type Description	Variable Description	Value
Compensating Balances	Avg Balance Calculation Period	30
	Deposit Roles	
	Minimum Days for Rate Change	32
	Pending Rate Change Days	30
	Single Rate Increase Only	No

Auto Hide Edit

Note: If a Deposit Account has multiple Deposit Roles associated with the Compensating Balances variable, the account will display in the Compensating Balances Information screen for each associated role.

The *Single Rate Increase Only* calculation variable controls how rates may be adjusted when utilizing the Automatic Rate Adjustment functionality.

Variables

Selection Criteria

Calculation Type: Show History

System Variables

Type Description	Variable Description	Value
	Single Rate Increase Only	Yes

Auto Hide

System Variable Maintenance

Type Description:

Variable Description:

Value:

Close Clear Review

If set to Y, the Single Rate Increase Only functionality is in use. This restricts rate changes to only allow one active rate change up (increasing the rate) and any rate changes downwards (decreasing the rate) may only be utilized to lower the single rate increase performed previously. The rate will only be adjusted up and then back down. This can happen multiple times, with the effect of the rate change being a single “up” increment and then back down if back in compliance.

If set to N, the Single Rate Increase Only functionality is not in use, and rate changes may be incremental in either direction when using the Automated Rate Adjustment feature. This means a rate could be increased or decreased multiple times in one direction (up or down) based on whether the loan account met the balance threshold requirements.

The Single Rate Increase Only calculation variable also controls whether the Sync Rates Preview and Sync Rates buttons are enabled on the Compensating Balances screen. If the calculation variable is set to Yes, the buttons are enabled. If it is set to No, then the buttons are disabled.

Each Loan Account in the Compensating Balance program must also have a single active Loan Officer Account Role (LOFF) assigned for proper display and reporting.

For each Commercial Loan Account, based on contractual obligations, the User inputs the Threshold amount on the Compensating Balances Information screen. The Account Owner must maintain an Average Daily Balance greater than this predetermined amount based on the sum of the average daily balances of all the linked deposit accounts.

The Interest Rate Adjusted By field value will be inputted by the User and establishes the percentage rate increase or decrease depending on what the Average Balance is in relation to the Threshold amount.

The Automatic Rate Adjustment checkbox is utilized to either allow manual rate change processing via the application standard functions or designate the loan account for processing via the Compensating Balance Interest Rate Adjustment batch application, as illustrated further down in this processing section. Typically loan accounts are set for manual processing as the Loan Officer may not wish to have any rate changes take place without their review first.

Compensating Balances Information

Report

Compensating Balances Information

Threshold Interest Rate Adjusted By

Average Balance Calculation Period Minimum Days to Rate Change

Automatic Rate Adjustment

Deposit Account List

Account Number	Major	Minor	Status	Account Owner	Borrower Role	Link Status
560171678	Checking	Analysis Checking	Active	ABC Title Company,...		Linked
700034531	Savings	Traditional Savings	Active	ABC Corp	Joint	Linked
700034531	Savings	Traditional Savings	Active	ABC Corp	Joint Owner	Linked
700034614	Checking	Totally Free Checking	Dormant	ABC Title Company,...		Linked

Close Delink Process

Note: The same Deposit Account will display multiple times in the Deposit Account List if the Deposit Account has multiple Deposit Roles defined by the Compensating Balances variable.

Note: The Borrower Role field will not populate if the Deposit Account Owner in that row is the same as the Commercial Loan Account Owner.

Once the Process button is selected on the Compensating Balances Information screen, the account will be added to the Compensating Balance program. The account will remain in the program until all values are removed from the Compensating Balances Information screen and the Process button has been selected.

For the User to calculate the Average Daily Balance of the linked Deposit Accounts a report must be generated by using the 'Compensating Balance Calculated Daily Balance' batch application.

The accounts listed that will be included in calculating the Sum of Average Daily Balance will be those that have been linked to the Loan Account on the Compensating Balances Information screen, and have the account statuses of Active, Inactive, or Dormant.

```

Bank: Anywhere Financial          Compensating Balance Calculated Daily Balance          Run Date: 03-23-2023
Report: DepAvgDailyBal          Post Date: 03-22-2023

Queue Number : 9016             Run Time: 15:01:04
Application Number: 524330      Cash Box:
Queue Sub Number : 2

                                SCHEMA
                                OSIBANK

                                DATABASE NAME
                                NEONDNA4.WORLD

                                RELEASE
                                DNA 4.7.2.0

                                03-23-2023 02:55:42 PM 184334 G:\OSI\BANK\SQL\4720\BAT_EXE\EXTNS\

                                REPORT PARAMETERS

                                Report Sort Option : 1

Bank: Anywhere Financial          Compensating Balance Calculated Daily Balance          Run Date: 03-23-2023
Report: DepAvgDailyBal          Post Date: 03-22-2023
Page: 1 of 3

Loan Account Number Account Owner          Deposit Account Number          Major Minor Status          Average Daily Balance
Loan Officer

700002869 Organization No. 2888          560165514          CK BUSI ACT          1,391.20
Barry Learner

Number of Deposit Accounts:          1          Sum of Average Balance:          1,391.20
Average Balance Calculation Period:          60          Threshold:          2,000.00
Pass or Fail:          Fail

-----
700013410 Agnes Lagana          700110175          SAV SV05 ACT          5.50
Barry Learner

Number of Deposit Accounts:          1          Sum of Average Balance:          5.50
Average Balance Calculation Period:          30          Threshold:          50.00
Pass or Fail:          Fail

-----
700022263 Monaima Kuchar          700109459          SAV SV05 ACT          5.50
Barry Learner

Number of Deposit Accounts:          1          Sum of Average Balance:          5.50
Average Balance Calculation Period:          60          Threshold:          1.00
Pass or Fail:          Pass
    
```

Based on the report generated by the 'Compensating Balance Calculated Daily Balance' batch application, the Average Balance field is populated with the sum of the Average Daily Balances of the linked Deposit Accounts.

The accounts that have been added to the Compensating Balance Program will display on the Compensating Balances screen.

If the loan has been added to the program but does not have any deposit accounts linked, the account will display on the screen, the Sum of Average Balance will be null, and the Pass / Fail column will display "Fail" if there is a threshold set for the loan account. If there is no threshold set and there are no deposit accounts linked to the loan account, the Pass / Fail column will display "Pass".

Compensating Balances								
Search Criteria								
<input checked="" type="radio"/> By Institution <input type="radio"/> By Loan Officer								
<input type="button" value="Query"/> <input type="button" value="Clear"/>								
<input type="button" value="Close"/>								
Compensating Balances List								
Borrower Name	Account Number	Loan Balance	Current Interest Rate	Sum of Avg Balance	Threshold	Pass / Fail	Next Interest Rate	Automatic Rate Adjustment
ABC Title Compa...	700034523	150,000.00	5.50000%	58,640.70	50,000.00	Pass	5.50000%	N
Agnes Lagana	700013410	0.00	9.75000%	5.50	50.00	Fail	9.75000%	Y
Brent SMITH	700048136	10,000.00	6.75000%		25.00	Fail	6.75000%	Y
DVM Sports Com...	700032709	300,000.00	10.50000%	7,888,172.52	6,000,000.00	Pass	8.00000%	Y
DVM Sports Com...	700038674	100,000.00	4.00000%	47,661.70	25.00	Pass	4.00000%	N
Monaima Kuchar	700022263	0.00	10.50000%	4.22	1.00	Pass	8.75000%	Y
Organization No. ...	700002869	44,000.00	6.25000%	1,391.20	2,000.00	Fail	6.25000%	Y
Organization No. ...	23284240201	0.00	9.25000%		10.00	Fail	11.50000%	N
Randy Reink	17170307601	50,000.00	10.50000%	5.50	100.00	Fail	12.75000%	N
Smith & Sons Coll...	700046809	10,000.00	6.75000%	15,861.70	25.00	Pass	6.75000%	N

The User can do a side-by-side comparison to determine if the Average Balance meets the Threshold limit and, if it does not, can see the Next Interest Rate.

If the User wishes to adjust the Current Interest Rate to the Next Interest Rate, they can do so by selecting the Adjust Interest Rate button.

The Additional Loan Details box is displayed below the Compensating Balances List grid when an account is highlighted, and the Detail button is selected. The Additional Loan Details box displays more information to the User to better assess the condition of the Loan Account.

Compensating Balances

Search Criteria

Search Criteria By Institution By Loan Officer

Query Clear

Close

Compensating Balances List

Borrower Name	Account Number	Loan Balance	Current Interest Rate	Sum of Avg Balance	Threshold	Pass / Fail	Next Interest Rate	Automatic Rate Adjustment
ABC Title Compa...	700034523	150,000.00	5.50000%	58,640.70	50,000.00	Pass	5.50000%	N
Agnes Lagana	700013410	0.00	9.75000%	5.50	50.00	Fail	9.75000%	Y
Brent SMITH	700048196	10,000.00	6.75000%		25.00	Fail	6.75000%	Y
DVM Sports Com...	700032709	300,000.00	10.50000%	7,888,172.52	6,000,000.00	Pass	8.00000%	Y
DVM Sports Com...	700038674	100,000.00	4.00000%	47,661.70	25.00	Pass	4.00000%	N
Moraima Kuchar	700022283	0.00	10.50000%	4.22	1.00	Pass	8.75000%	Y
Organization No...	700002869	44,000.00	6.25000%	1,391.20	2,000.00	Fail	6.25000%	Y
Organization No...	23284240201	0.00	9.25000%		10.00	Fail	11.50000%	N
Randy Reinik	17170307601	50,000.00	10.50000%	5.50	100.00	Fail	12.75000%	N
Smith & Sons Coll...	700046809	10,000.00	6.75000%	15,861.70	25.00	Pass	6.75000%	N

Sync Rates Preview Sync Rates Adjust Interest Rate Detail

Additional Loan Details

Product: Commercial Loan Construction Projects Status: Active

Loan Limit: 1,000,000.00 Due Date: 12-26-2022

Last Rate Changed Date: 02-14-2023 Maturity Date: 05-18-2047

The User can then execute the 'Compensating Balance Interest Rate Adjusted Report' batch application to list all accounts that have had their interest rate adjusted for that day.

Based on the example above, the User chose to adjust the interest rate from 4.50% to 5.50%, they would only need to click on the Adjust Interest Rate button, and if it was processed correctly, it would be displayed as such on the report below:

```

Bank: Anywhere Financial          Compensating Balance Interest Rate Adjusted Report          Run Date: 02-13-2023
Report: CompensatingBal          Post Date: 02-13-2023

Queue Number      : 8619          Run Time: 10:48:58
Application Number: 524331        Cash Box:
Queue Sub Number  : 2

                                SCHEMA
                                OSIBANK

                                DATABASE NAME
                                NEONDNA4.WORLD

                                RELEASE
                                DNA 4.7.2.0

                                11-01-2017 08:56:18 PM 236626 G:\OSI\BANK\SQT\4720\BAT_EXE\EXTNS\

                                REPORT PARAMETERS

Bank: Anywhere Financial          Compensating Balance Interest Rate Adjusted Report          Run Date: 02-13-2023
Report: CompensatingBal          Post Date: 02-13-2023
Page: 1 of 1

Borrower Name      Account Number      Loan Balance      Current      Sum of Average      Threshold      Next
                   700034523          150,000.00      5.50000%      58,640.70      50,000.00      4.50000%
DVM Sports Complex  700038674          100,000.00      4.00000%      47,661.70      25.00          2.50000%
Smith & Sons Collections  700046809          10,000.00      6.75000%      15,861.70      25.00          4.75000%

=====
Number of Accounts: 3
=====
    
```

Accounts in the program may also have rates adjusted during scheduled processing via the Compensating Balance Interest Rate Adjustment batch application, providing the Automatic Rate Adjustment checkbox on the Compensating Balance Information screen is checked for a given loan account. When checked, the account is selected for inclusion for the Compensating Balance Interest Rate Adjustment batch application, and rates may then be adjusted on a scheduled and automated basis.

This batch application is typically run once a month, on either the last or first day of the month.

```

Bank: Anywhere Financial          Compensating Balance Interest Rate Adjustment          Run Date: 11-14-2017
Report: CompensatingBalAdj                                             Post Date: 10-03-2017
Queue Number : 6317                                                    Run Time: 13:11:29
Application Number: 511112                                             Cash Box:
Queue Sub Number : 2
                                SCHEMA
                                OSIBANK
                                DATABASE NAME
                                NEONDNA4.WORLD
                                RELEASE
                                DNA 4.2.3.0
                                10-26-2017 09:32:22 AM 249553 G:\OSI\BANK\SQL\4230\BAT_EXE\EXTNS\
                                REPORT PARAMETERS
                                RptOnly_YN: Y
Bank: Anywhere Financial          Compensating Balance Interest Rate Adjustment          Run Date: 11-14-2017
Report: CompensatingBalAdj                                             Post Date: 10-03-2017
                                Page: 1 of 1
Borrower Name                Account Number    Loan Balance    Current Interest Rate    Sum of Average Balance    Threshold Balance    Int Rate Adj By    Next Action Interest Rate
ABC Title Company, LLC.      22233421302      546,887.26     11.50000%                0.00                      75,000.00           1.25000%          SKIP
Alma Warder                  17546282001      51,244.35      4.00000%                 46,876.10                45,000.00           -1.25000%         SKIP
=====
Number of Accounts           : 2
Number of Updated Accounts: 0
Number of Skipped Accounts: 2
=====
    
```

*Note: this batch application and scheduled process requires the Core API Batch Start DNAapp for processing. Please see further information on this application in the **Additional Requirements** section in this guide.*

If the Single Rate Increase Only insitution level calculation variable is set to N, the Sync Rates Preview and Sync Rates buttons are disabled on the Compensating Balances screen. If the Single Rate Increase Only instution level calculation variable is set to Y, the Sync Rates Preview and Sync Rates buttons are enabled.

These buttons are used to assist in the synchronization of the loan account interest rate with the penalty rate in the Compensating Balance program when a rate change has occurred after the penalty rate was set and was maintained by the Daily Loan Rate Changes (LN_INCHG) or Scheduled Loan Rate Changes (LN_SRTCH) batch applications.

The Sync Rates Preview button will display the Comp Bal Int Rate Sync Report (CompensatingBalSync) report to show any accounts that meet the following conditions.

- The interest rate is set to penalty rate with the Compensating Balance program. This can occur with the Compensating Balance Adju batch application or a manual change on the Compensating Balances screen.
- The loan then had a rate change processed by one of the following batch application:
 - Daily Loan Rate Changes (LN_INCHG).
 - Scheduled Loan Rate Changes (LN_SRTCH).
- The interest rate must be maintained to the new penalty rate.

If the interest rate is outside the maximum interest rate, then account is not displayed.

Compensating Balances

Search Criteria

Search Criteria By Institution By Loan Officer

Query Clear

Close

Compensating Balances List

Borrower Name	Account Number	Loan Balance	Current Interest Rate	Sum of Avg Balance	Threshold	Pass / Fail	Next Interest Rate	Automatic Rate Adjustment
ABC Title Compa...	700034523	150,000.00	5.50000%	58,640.70	50,000.00	Pass	5.50000%	N
Agnes Lagana	700013410	0.00	9.75000%	5.50	50.00	Fail	9.75000%	Y
Brent SMITH	700048136	10,000.00	6.75000%		25.00	Fail	6.75000%	Y
DVM Sports Com...	700032709	300,000.00	10.50000%	7,888,172.52	6,000,000.00	Pass	8.00000%	Y
DVM Sports Com...	700038674	100,000.00	4.00000%	47,661.70	25.00	Pass	4.00000%	N
Moraima Kuchar	700022263	0.00	10.50000%	4.22	1.00	Pass	8.75000%	Y
Organization No. ...	700002869	44,000.00	6.25000%	1,391.20	2,000.00	Fail	6.25000%	Y
Organization No. ...	23284240201	0.00	9.25000%		10.00	Fail	11.50000%	N
Randy Reink	17170307601	50,000.00	10.50000%	5.50	100.00	Fail	12.75000%	N
Smith & Sons Col...	700046809	10,000.00	6.75000%	15,861.70	25.00	Pass	6.75000%	N

Sync Rates Preview Sync Rates Adjust Interest Rate Detail

The Sync Rates Preview button is the “Report Only” view of what will occur if the Sync Rates button is selected to update the account interest rate and synchronize with the Compensating Balance program. If the account was set in “penalty” with the Compensating Balance program and then a rate change occurred thru the LN_INCHG or LN_SRTCH, the interest rates must then be synchronized with the correct penalty interest rate.

When the Sync Rates Preview Button is selected, the Comp Bal Int Rate Sync Report (CompensatingBalSync) is generated and is displayed on the screen.

View Report

1 / 2 63% Find

Bank: Anywhere Financial
 Report: CompensatingBalSync
 Queue Number: 1
 Application Number: 531215
 Queue Sub Number: 1

Comp Bal Int Rate Sync Report

Run Date: 02-09-2023
 Post Date: 02-09-2023
 Run Time: 17:19:18
 Check Box:

SCHEMA
 OIBANK
 DATABASE NAME
 HEDONRA-WORLD
 RELEASE

REPORT PARAMETERS

Scroll to Page 2 to see the accounts that require maintenance.

Bank: Anywhere Financial		Comp Bal Int Rate Sync Report						Run Date: 02-09-2023
Report: CompensatingBalSync								Post Date: 02-09-2023
								Page: 1 of 1
Account Number	Curr Rate	Prev Rate	Curr EffDate	Prev EffDate	Adj Rate	Borrower Name		
700013410	0.10750	0.08500	03-14-2023	03-14-2023	0.02250	Agnes Lagana		
700031347	0.09500	0.08500	04-11-2023	04-11-2023	0.01000	Terry Brinkman		
700034523	0.06500	0.05500	02-08-2023	02-08-2023	0.01000	ABC Title Company, Inc.		
23284240201	0.09250	0.07000	02-15-2023	02-15-2023	0.02250	Organization No. 3254		
17170307601	0.10500	0.08250	04-01-2023	04-01-2023	0.02250	Randy Reinik		
700046932	0.10250	0.08250	02-08-2023	02-08-2023	0.02000	Smith & Sons Collections		
700022263	0.08750	0.07000	02-08-2023	02-08-2023	0.01750	Moraima Ruchar		
700032709	0.08000	0.05500	02-08-2023	02-08-2023	0.02500	DVM Sports Complex		

Total Records Added:								8

Once the User has validated the accounts on the report are required to be maintained, the User would then close the report and select the Sync Rates button to update the interest rates on those accounts.

Once selected, the report is displayed on the screen.

Bank: Anywhere Financial		Comp Bal Int Rate Sync Report						Run Date: 02-09-2023
Report: CompensatingBalSync								Post Date: 02-09-2023
								Page: 1 of 1
Account Number	Curr Rate	Prev Rate	Curr EffDate	Prev EffDate	Adj Rate	Borrower Name		
700013410	0.10750	0.08500	03-14-2023	03-14-2023	0.02250	Agnes Lagana		
700031347	0.09500	0.08500	04-11-2023	04-11-2023	0.01000	Terry Brinkman		
700034523	0.06500	0.05500	02-08-2023	02-08-2023	0.01000	ABC Title Company, Inc.		
23284240201	0.09250	0.07000	02-15-2023	02-15-2023	0.02250	Organization No. 3254		
17170307601	0.10500	0.08250	04-01-2023	04-01-2023	0.02250	Randy Reinik		
700046932	0.10250	0.08250	02-08-2023	02-08-2023	0.02000	Smith & Sons Collections		
700022263	0.08750	0.07000	02-08-2023	02-08-2023	0.01750	Moraima Ruchar		
700032709	0.08000	0.05500	02-08-2023	02-08-2023	0.02500	DVM Sports Complex		

Total Records Added:								8

The accounts that are displayed on the report have their interest rates updated and the corresponding tables are maintained.

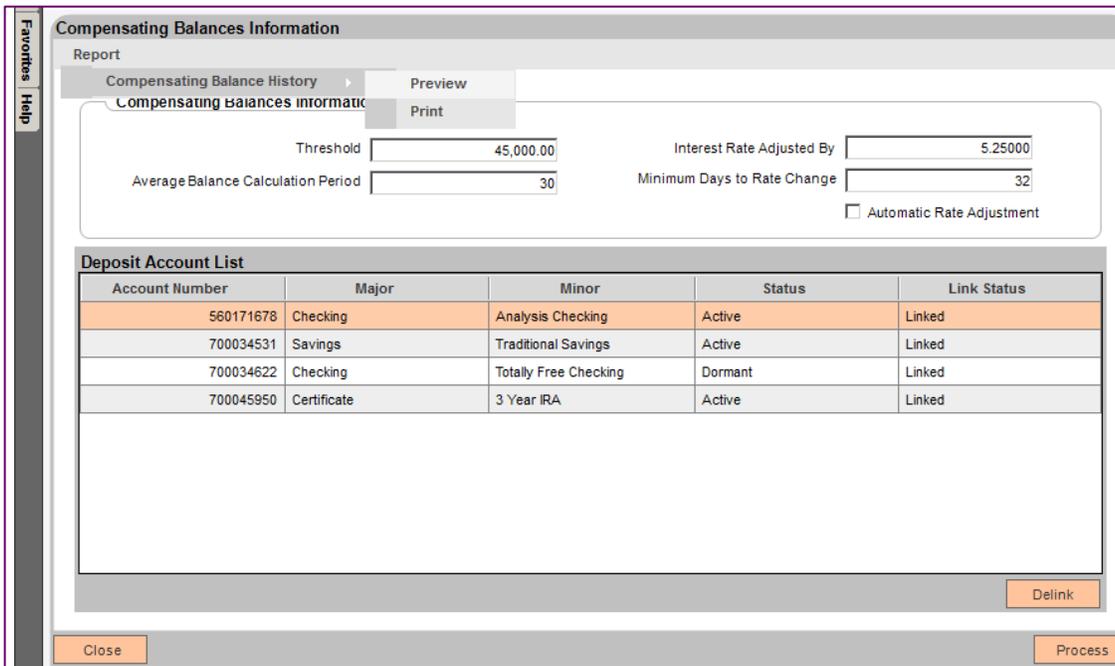
The following occurs:

- The effective date of the current interest rate on the loan account controls what effective date is used for the update.
 - If the effective date of the interest rate is less than the posting date, then an interest rate is inserted with an effective date as of the posting date.
 - If the effective date is equal to the posting date, then the interest rate is inserted with an effective date of the day after the posting date.
 - If the effective date is in the future, then the interest rate is updated for that effective date.
- The interest rate is equal to the current interest rate on the loan account plus the value set in the Interest Rate Adjusted By field on the Compensating Balances Information screen for that loan account.
- The CPBLLNRATECHGHIST table in the Extension schema is then set as follows:
 - The EffDate is set to the new effective date for the interest rate.
 - The PrevEffDate is set to the effective date of the old interest rate.

- The PrevInactiveDate is set to the new interest rate effective date.
- The PrevIntRate is set to the new interest rate minus the Interest Rate Adjusted By to set the correct penalty rate.
- The CurrIntRate is set to the new interest rate.

Once the report is closed, a message appears on the screen which shows the number of successful versus unsuccessful rate changes. When the User clicks the Close button from the message, the grid view is then refreshed.

There is also a new online report Compensating Balance History Report (CompBalHist) available that displays the daily average balances for the loan account and its linked deposit accounts and is accessed from the Compensating Balances Information screen.



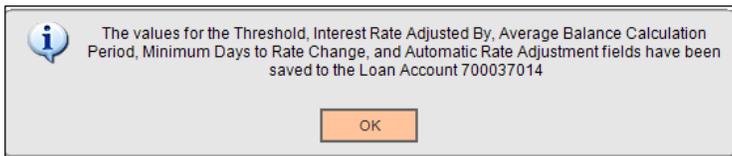
This report allows the User to be shown a preview or print information about the Loan Account and the linked Deposit Accounts, particularly the average daily balance for the Deposit Accounts, so the User may see a historical look at how the combined average balances were calculated and how they compared to the threshold requirement.

Bank: Anywhere Financial	Compensating Balance History Report	Run Date: 10-17-2017			
Report: COMPBALHIST		Post Date: 10-17-2017			
		Page: 1 of 1			
Account Number: 700037014	Owner: ABC Title Company				
Loan Officer:					
Effective Date	Deposit Account Number	Deposit Average Daily Balance	Average Balance Calculation Period	Threshold	Loan Average Daily Balance
07/05/2017	560171678	56,581.99	30	45,000.00	58,240.70
	700034531	1,058.71			
	700034622	500.00			
	700045950	100.00			

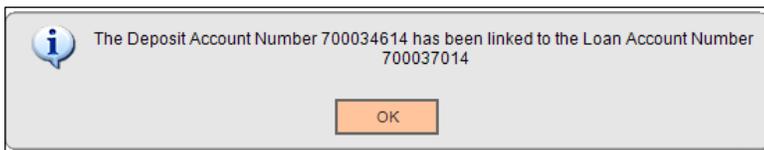
Application Messages:

The following application messages are included in this application.

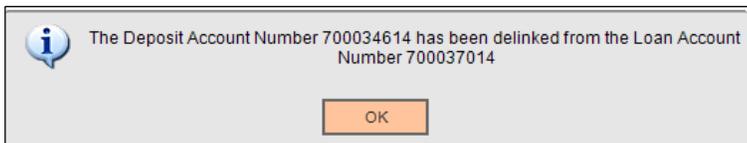
The message displayed when updating the Threshold, Interest Rate Adjusted By, Average Balance Calculation Period, Minimum Days to Rate Change and/or Automatic Rate Adjustment values to the loan account then clicking the Process button to save data will be: “The values for the Threshold, Interest Rate Adjusted By, Average Balance Calculation Period, Minimum Days to Rate Change, and Automatic Rate Adjustment fields have been saved to the Loan Account [Loan Account Number].”



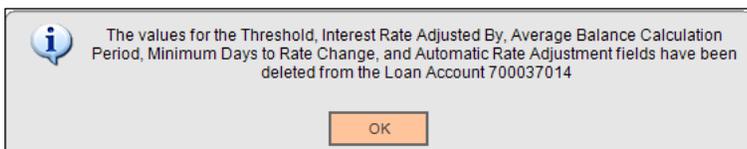
Select a deposit account displaying in the data grid and click Link button to link the selected deposit account to the loan account. Repeat this step until all needed deposit accounts are linked to the loan account. “The Deposit Account Number [Deposit Account Number] has been linked to the Loan Account Number [Loan Account Number]” message displayed.



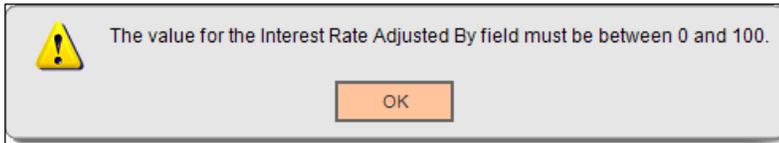
Select a deposit account displaying in the data grid and click the Delink button to delink the deposit account from the loan account. Repeat this step until all needed deposit accounts are delinked to the loan account. “The Deposit Account Number [Deposit Account Number] has been delinked from the Loan Account Number [Loan Account Number]” message displayed.



The message displayed when removing the Threshold, Interest Rate Adjusted By, Average Balance Calculation Period, Minimum Days to Rate Change, and Automatic Rate Adjustment values from the loan account then clicking the Process button to save data will be: “The values for the Threshold, Interest Rate Adjusted By, Average Balance Calculation Period, Minimum Days to Rate Change, and Automatic Rate Adjustments fields have been deleted from the Loan Account [Loan Account Number]” when there is an existing row in the CompensatingBal table.

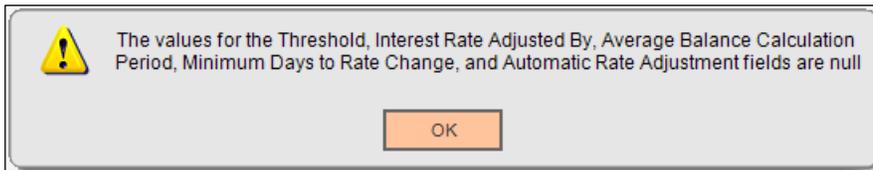


If a User inputs an Interest Rate Adjusted By value out of the 0-100 range, the following message is displayed “The value for the Interest Rate Adjusted By field must be between 0 and 100.”

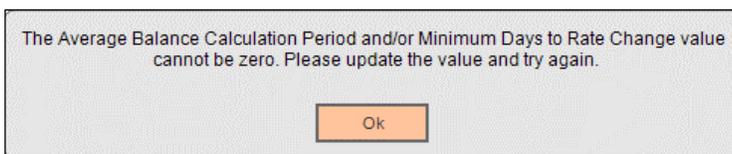


“The values for the Threshold, Interest Rate Adjusted By, Average Balance Calculation Period, Minimum Days to Rate Change, and Automatic Rate Adjustment fields are null” is displayed when the account has been removed from the program as in the example above and the Process button is selected again while the Threshold, Interest Rate Adjusted By, Average Balance Calculation Period, Minimum Days to Rate Change, and Automatic Rate Adjustment fields are null.

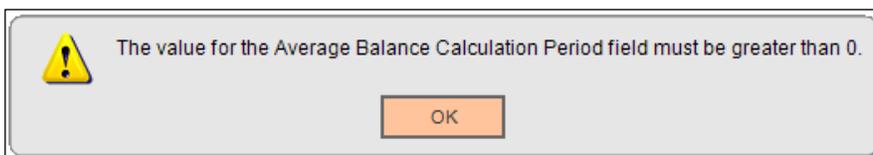
Note: All values must first be removed and the Process button selected to save the changes to the CompensatingBal table. Then if the User clicks the Process button again, the message will appear.



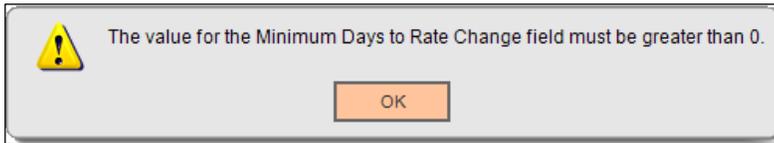
If the Financial Institution sets the Avg Balance Calculation Period and/or Minimum Days for Rate Change institution level calculation variables to 0, the system will allow those values. Then when the User attempts to bring a new loan account into the Compensating Balance program, the '0' value set in the calculation variable will default to the Average Balance Calculation Period and/or Minimum Days to Rate Change fields accordingly. If the User clicks the Process button without attempting to change either of those fields, the following message “The Average Balance Calculation Period and/or Minimum Days to Rate Change value cannot be zero. Please update the value and try again.” will be displayed.



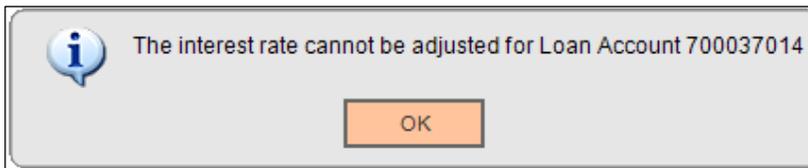
When the User fails to input a number of days greater than 0 in the Average Balance Calculation Period field, the message “The value for the Average Balance Calculation Period field must be greater than 0” will display.



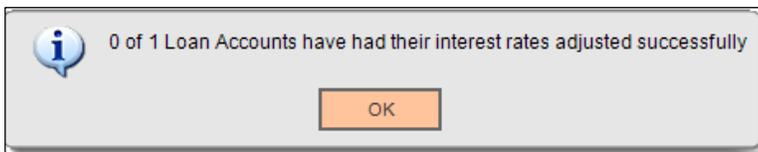
When the User fails to input a number of days greater than 0 in the Minimum Days to Rate Change field, the following message will display “The value for the Minimum Days to Rate Change field must be greater than 0.”



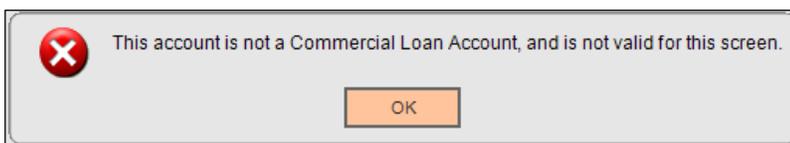
If the proposed adjusted interest rate falls outside the minimum interest rate or maximum interest rate range as defined in the account level interest parameters or the product level interest parameters if no account level parameter exists, the message “The interest rate cannot be adjusted for Loan Account [Loan Account Number]” will be displayed.



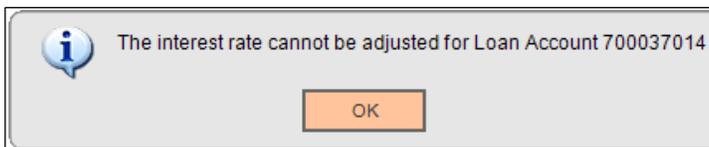
After clicking OK to the previous message, the message “[Successful Number] of [Attempted Number] Loan Accounts have had their interest rates adjusted successfully” will appear.



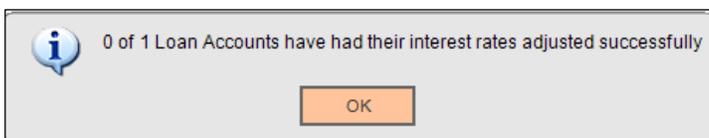
The message “This account is not a Commercial Loan Account and is not valid for this screen.” is displayed when the Compensating Balances Information screen is accessed with an account that is not a Commercial Loan.



If the Automatic Rate column displays “Y” on the Compensating Balances screen and the User selects the Adjust Interest Rate button to attempt to adjust the interest rate, the message “The interest rate cannot be adjusted for Loan Account [Loan Account Number]” will be displayed.



After clicking OK to the previous message, the message “[Successful Number] of [Attempted Number] Loan Accounts have had their interest rates adjusted successfully” will appear.



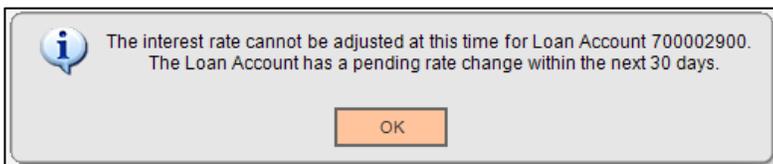
If the User tries to adjust the interest rate on the Compensating Balances screen, the message “The interest rate cannot be adjusted at this time for Loan Account [loan account number]. The Loan Account has a pending rate change within the next [Number of Days].” is displayed when either of the following conditions occurs:

- When a loan account has a pending daily rate change where the effective date of the rate schedule is within the system date plus the number of days defined by the Pending Rate Change Days calculation variable.

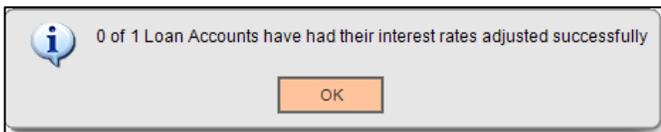
Note: Daily rate change has a Rate Type of Variable and a Rate Change Calendar Period equal to Daily.

- When a loan account has a pending scheduled rate change where the Next Rate Change Date minus the Rate Change Lead Days falls within the system date plus the number of days defined by the Pending Rate Change Days calculation variable.

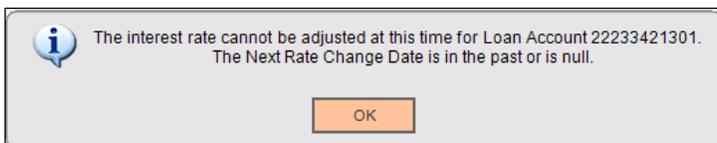
Note: Scheduled rate change has a Rate Type of Variable and a Rate Change Calendar Period not equal to Daily.



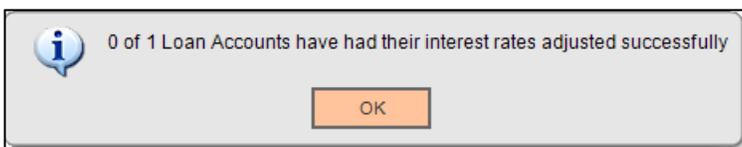
After clicking OK to the previous message, the message “[Successful Number] of [Attempted Number] Loan Accounts have had their interest rates adjusted successfully” will appear.



If the User tries to adjust the interest rate on the Compensating Balances screen when a loan account has a pending scheduled rate change within XX number of days defined by the Pending Rate Change Days calculation variable and the Next Rate Change Date field on the loan account is in the past or is null, the message “The interest rate cannot be adjusted at this time for Loan Account [loan account number]. The Next Rate Change Date is in the past or is null.” is displayed.



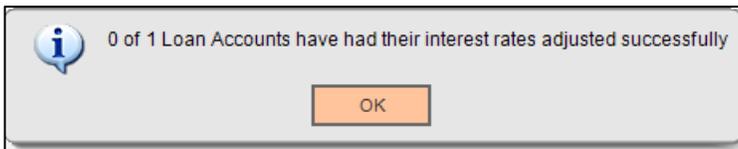
After clicking OK to the previous message, the message “[Successful Number] of [Attempted Number] Loan Accounts have had their interest rates adjusted successfully” will appear.



If the User tries to adjust the interest rate on the Compensating Balances screen and the loan account is in Delinquency Rate Processing, the message “The interest rate cannot be adjusted at this time for Loan Account [loan account number]. The Loan Account is in Delinquency Rate Processing.” is displayed.



After clicking OK to the previous message, the message “[Successful Number] of [Attempted Number] Loan Accounts have had their interest rates adjusted successfully” will appear.



If the User selects the Sync Rates button on the Compensating Balances screen and there are no accounts to be maintained, the online report is displayed and when the report is closed, the following message appears “0 out of 0 total rates have been updated successfully.”



Note: If there were accounts to be maintained, example 8 and all 8 were successfully updated, the 0 out of 0 would be 8 out of 8.

Parameters:

The Compensating Balance Calculated Daily Balance (DepAvgDailyBal.sqt) batch application has the following batch parameter.

Parameter	Code	Description (how used)	Required	Default
Report Sort Option	SORT	<p>Defines the sort option for the display of the accounts on the report.</p> <p>Sort Options:</p> <p>1-Loan Account Number, Deposit Account Number</p> <p>2-Loan Officer, Loan Account Number, Deposit Account Number</p> <p>The default value is 1 which will display the accounts in Loan Account Number order and then sort the linked Deposit Accounts in Deposit Account Order.</p> <p>If the User selects 2, the accounts will be sorted by Loan Officer then by Loan Account and then by Deposit Account number.</p>	N	1

The Compensating Balance Interest Rate Adjustment (CompensatingBalAdj.sqt) batch application has the following batch parameters.

Parameter	Code	Description (how used)	Required	Default
RptOnly_YN	RPT	Yes/No field. If user selects Yes, the application will not update the database and will only display the accounts that have been selected to have the interest rate adjusted based on the selection criteria. If No, the application will update the database with the loan account rate change for the loan accounts selected and display the accounts on the report.	Yes	Y

The Compensating Balance Calculated Daily Balance Purge (DepAvgBalTablePurge.sqt) batch application has the following batch application parameters.

Parameter	Code	Description (how used)	Required	Default
Effective Date	EFF	Application will purge all records with an Effective Date that are less than or equal to the date entered in this parameter.	Yes	<blank>
RptOnly_YN	RPT	Yes/No field. If user selects Yes, the application will only display how many rows will be purged. If No is selected, the application will update the database with purging the records that meet the parameters entered.	Yes	Y

Variables:

The Compensating Balance DNAApp utilizes new Calculation Variables that the Financial Institution may assign desired values to according to their system settings. The new Compensating Balance calculation type is used for associating the calculation variables for the Compensating Balances for Business Loans application. These calculation variables are set at the institution level and there is no product or account override available.

Category Code	Category Description
LPRC	Loan Processing

Type Code	Type Description
CPBL	Compensating Balances

Variable	Code	Description (how used)	Data Type	Default
Avg Balance Calculation Period	ABCP	The number of days used to calculate the daily average balance when a loan account does not have the corresponding average balance already established at the loan account level.	NUM	30

Variable	Code	Description (how used)	Data Type	Default
		<p>This value will default to the Average Balance Calculation Period field on the Compensating Balances Information screen for the loan account when the loan is added to the Compensating Balance program.</p> <p>If the value of the calculation variable is changed, the new value will only affect new loans entering the Compensating Balance program as of that date or after.</p> <p>All existing loan accounts within the program will remain the same with their loan level values.</p>		
Deposit Roles	CPDR	<p>Account Role(s) for Deposit Accounts eligible to be linked to the Commercial Loan Account.</p> <p>If the Value field is set to null, then all Deposit Accounts that are under the same ownership as the Loan Account, will be displayed as eligible to link on the Compensating Balances Information screen.</p> <p>Suggested Account Roles that can be entered into the Value field when performing maintenance on the Compensating Balances variable include Joint (JO) and Authorized Signer (SIGN)</p>	STR	<Blank>
Minimum Days for Rate Change	MDRC	<p>The minimum number of days the loan must be in the Compensating Balance Program prior to a rate change being processed online or thru batch processing.</p> <p>This value will default to the new Minimum Days to Rate Change field on the Compensating Balances Information screen for the loan account when the loan is added to the Compensating Balance program.</p> <p>If the value of the calculation variable is changed, the new value will only affect new loans entering the Compensating Balance program as of that date or after. All existing loan accounts within the program will remain the same with their loan level values.</p> <p>Once the value is defaulted to the Minimum Days for Rate Change field, this number will be added to the date the loan was added to</p>	NUM	32

Variable	Code	Description (how used)	Data Type	Default
		<p>the Compensating Balance program and will not allow a rate change to occur until that date.</p> <p>Example: Loan is added to the Compensating Balance program on 07/21/2017 and the Minimum Days to Rate Change = 32. The date of 07/21/2017 + 32 days = 08/22/2017 so the first rate change for this loan account would not take place until 08/22/2017 or after when the online or batch application was run.</p>		
Pending Rate Change Days	PRCD	<p>The value of this calculation variable will be added to the system date to determine the date range to look for a daily or scheduled rate change to occur.</p> <p>If a loan account has a pending daily or scheduled rate change that will occur between the system date and the system date plus the value of this calculation variable, the interest rate will not be adjusted, and a message will be displayed on the Compensating Balances screen or thru the automated rate change (Compensating Balance Interest Rate Adjustment) batch application report.</p> <p>Example: System Date is 5/17/18 and the value of the Pending Rate Change Days is 30. The calculated date would be 6/16/18. If a loan account has a daily or scheduled rate change that falls between the system date of 5/17/18 and the calculated date of 6/16/18, the interest rate for that loan account will not be adjusted and a message will be displayed.</p> <p>A value of 0 or greater must be entered. If a value of 0 is entered, then it will look at the system date.</p>	NUM	30
Single Rate Increase Only	SRTE	<p>Option to utilize whether the Automated Rate Adjustment feature will allow rates to be moved incrementally and multiple times in a direction, or only "up/down".</p> <p>If set to Y, the Single Rate Increase Only functionality is in use. This restricts rate changes to only allow one active rate change up (increasing the rate) and any rate changes downwards (decreasing the rate) may only be utilized to lower the single rate increase performed previously. The rate will only be</p>	YN	N

Variable	Code	Description (how used)	Data Type	Default
		<p>adjusted up and then back down. This can happen multiple times, with the effect of the rate change being a single “up” increment and then back down if back in compliance.</p> <p>If set to N, the Single Rate Increase Only functionality is not in use, and rate changes may be incremental in either direction when using the Automated Rate Adjustment feature. This means a rate could be increased or decreased multiple times in one direction (up or down) based on whether the loan account met the balance threshold requirements.</p> <p><i>Note: because this option involves use of a new rate change table when set to Y, care should be taken to ensure this value is not “toggled”, as this will create incorrect rate change situations and functionality.</i></p>		

Activity:

This application updates activity, using the following Activity Category(s) and Activity Type(s).

Activity Category	Code	Activity Type	Code	Activity Subject
Account Maintenance	AMNT	Loan	LOAN	Account.

Tables:

Five new tables have been added to the EXTN schema. The tables are COMPENSATINGBAL, COMPENSATINGBALLINK, CPBLLNRATECHGHIST, DEPAVGBAL and DEPAVGBALDTL.

The COMPENSATINGBAL table contains the loan accounts that have been added to the Compensating Balance Program.

Field Name	Field Description	Primary Key YN	Nullable YN	Data Type	Length	Default
ACCTNBR	Account Number	Yes	No	NUMBER	22,0	
THRESHOLD	Threshold	No	Yes	NUMBER	22,2	
ADJRATE	Interest Rate Percentage that the loan interest rate will increase or decrease by	No	Yes	NUMBER	8,7	
CALCAVGBALDAYS		No	Yes	NUMBER	22,0	

Field Name	Field Description	Primary Key YN	Nullable YN	Data Type	Length	Default
DATELASTMAINT	Date the data was last maintained	No	Yes	DATE		SYSDATE
MINDAYSRATECHG	Minimum Days for the account to be in the program prior to a rate change	No	Yes	NUMBER	22,0	
AUTORATEADJYN	Automatic Rate Adjust Yes/No	No	Yes	CHAR	1	N
EFFDATE	Effective Date	Yes	Yes	DATE		

The COMPENSATINGBALLINK table contains the loan accounts and their linked deposit accounts.

Field Name	Field Description	Primary Key YN	Nullable YN	Data Type	Length	Default
LOANACCTNBR	Loan Account Number	Yes	No	NUMBER	22,0	
DEPACCTNBR	Deposit Account Number linked to the loan account	Yes	No	NUMBER	22,0	
DATELASTMAINT	Date the data was last maintained	No	Yes	DATE		SYSDATE

The DEPAVGBAL table contains the loan account number and the average daily balance for sum of all linked deposit accounts.

Field Name	Field Description	Primary Key YN	Nullable YN	Data Type	Length	Default
ACCTNBR	Loan account number	Yes	No	NUMBER	22,0	
AVGBAL	Sum of the linked deposit accounts average daily balance	No	Yes	NUMBER	22,5	
DATELASTMAINT	Date the data was last maintained	No	Yes	DATE		SYSDATE
EFFDATE	The effective date for the entry for the daily average balance to allow the display of history	Yes	Yes	DATE		

The CPBLLNRATECHGHIST table contains the Rate Change history for loan accounts within the program. In addition, when the when the Single Rate Increase Only calculation variable is set to "Y", it tracks the rate history so the rate adjustment may only be raised and lowered back to the original rate.

Field Name	Field Description	Primary Key YN	Nullable YN	Data Type	Length	Default
EFFDATE	Effective date of change	Y	N	DATE		
LNACCTNBR	Loan Account Number	Y	N	NUMBER	22	
SUBACCTNBR	Sub Account Number	Y	N	NUMBER	22	
PREVEFFDATE	Previous Effective Date of the rate before changing	Y	N	DATE		
CURREFFDATE	Effective Date of the rate changed	Y	N	DATE		
PREVINACTIONEDATE	Previous Inactive date of the rate before changing	N	Y	DATE		
CURRINACTIONEDATE	Inactive of the rate changed	N	Y	DATE		
PREVINRATE	Previous rate before changing	N	Y	NUMBER	8,7	
CURRINRATE	Rate after changing	N	Y	NUMBER	8,7	
PREVDATELASTMAINT	Previous last maintenance date of the rate before changing	N	Y	DATE		
DATELASTMAINT	The last maintenance date of the record after changing	N	Y	DATE		SYSDATE

The DEPAVGBALDTL table contains each linked deposit account with its daily average balance and identifies the loan account that it is linked to.

Field Name	Field Description	Primary Key YN	Nullable YN	Data Type	Length	Default
EFFDATE	The effective date for the entry for the daily average balance to allow the display of history	Yes	No	DATE		
LNACCTNBR	Loan account number the deposit account is linked to	Yes	No	NUMBER	22,0	
DEPACCTNBR	Deposit account number that is linked to the loan account	Yes	No	NUMBER	22,0	
AVGBAL	Deposit account daily average balance	No	Yes	NUMBER	22,5	
DATELASTMAINT	Date the data was last maintained	No	Yes	DATE		SYSDATE

Scheduling and re-run information (for batch applications):

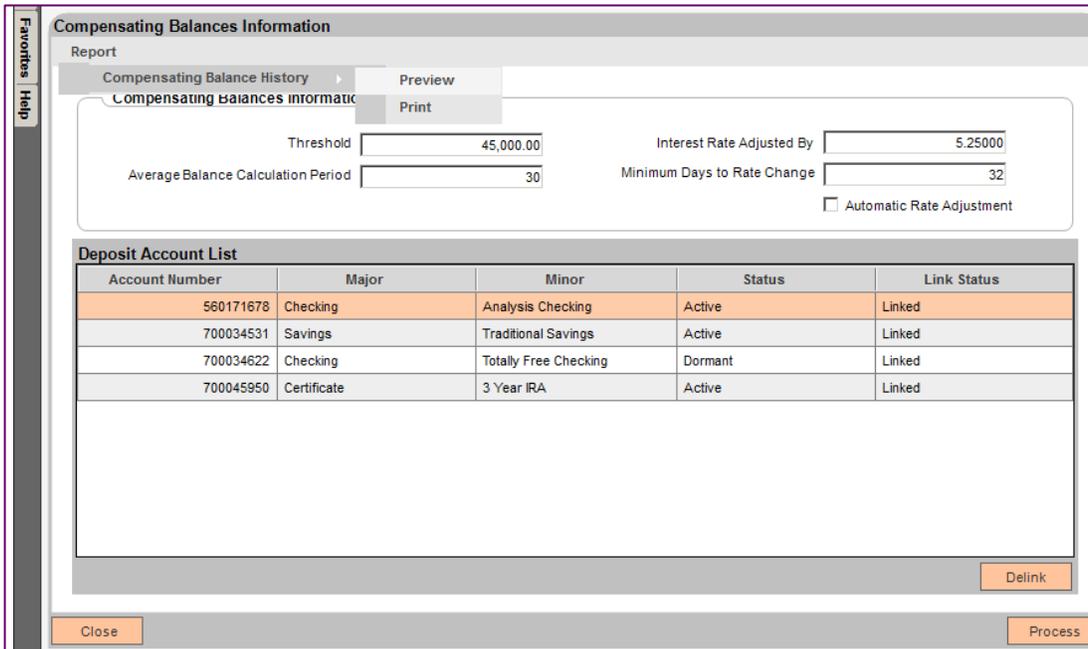
- The Compensating Balance Calculated Daily Balance batch application can be run at any given point in time at the request of the Financial Institution.
- The Compensating Balance Calculated Daily Balance batch application can be set to run on a predetermined schedule: daily or monthly, for example. Daily scheduling of this batch application will yield the most accurate results as this will update the Sum of Avg Balance field on the Compensating Balances screen.
- There is no Start and Thru Date parameters for the Compensating Balance Calculated Daily Balance batch application therefore it cannot be run back in time.
- The Compensating Balance Calculated Daily Balance Purge batch application can be run at any given point in time, either in updating or non-updating mode.
- The Compensating Balance Interest Rate Adjusted Report batch application can be run at any time. There are no Start and Thru Date parameters so it cannot be run back in time and is recommended to run on a daily basis to pick up the rate changes that occur each day for those accounts that have their Automatic Rate Change set to No and have had their rates changed via online means.
- The Compensating Balance Interest Rate Adjustment batch application is recommended to be scheduled to run on a monthly basis, typically the last or first day of the month.
 - Note: this batch application requires the Core API Batch Start DNAapp for processing. Please see further information on this application in the **Additional Requirements** section in this guide.

Reports:

The Compensating Balances for Business Loans application produces a total of six reports - two online reports, and four batch application reports.

Online Reports

The online report Compensating Balance History Report (CompBalHist) displays the daily average balances for the loan account and its linked deposit accounts and is accessed from the Compensating Balances Information screen.



This report allows the User to be shown a preview or print information about the Loan Account and the linked Deposit Accounts, particularly the average daily balance for the Deposit Accounts, so the User may see a historical look at how the combined average balances were calculated and how they compared to the threshold requirement.

An example of the report is shown below:

Bank: Anywhere Financial	Compensating Balance History Report	Run Date: 10-17-2017			
Report: COMPBALHIST		Post Date: 10-17-2017			
		Page: 1 of 1			
Account Number: 700037014	Owner: ABC Title Company				
Loan Officer:					
Effective Date	Deposit Account Number	Deposit Average Daily Balance	Average Balance Calculation Period	Threshold	Loan Average Daily Balance
07/05/2017	560171678	56,581.99	30	45,000.00	58,240.70
	700034531	1,058.71			
	700034622	500.00			
	700045950	100.00			

Field Listing:

Field	Description
Account Number	The loan account number.
Owner	The name of the Tax Reported For owner of the account.

Field	Description
Loan Officer	The Loan Officer assigned to the loan account with a LOFF Account Role
Effective Date	The effective date that the Average Daily Balance was last updated by the DepAvgDailyBal.sql for the accounts in the Compensating Balance relationship.
Deposit Account Number	Linked deposit account number.
Deposit Average Daily Balance	The Average Daily Balance as last updated by the DepAvgDailyBal.sql for that linked deposit account.
Average Balance Calculation Period	The value of the Average Balance Calculation Period set for the loan account on the Compensating Balances Information screen.
Threshold	The value of the Threshold set for the loan account on the Compensating Balances Information screen.
Loan Average Daily Balance	The sum of the Average Daily Balance for the linked deposit accounts as last updated by the DepAvgDailyBal.sql.

The online Comp Bal Int Rate Sync Report (CompensatingBalSync) displays a report when the Sync Rates Preview button is selected on the Compensating Balance screen and is a "Report Only" view of what will occur if the Sync Rates button is selected to update the account interest rate and synchronize with the Compensating Balance program. If the account was set in "penalty" with the Compensating Balance program and then a rate change occurred thru the LN_INCHG or LN_SRTCH, the interest rates must then be synchronized to the correct penalty interest rate. When the Sync Rates button is selected, the Comp Bal Int Rate Sync Report (CompensatingBalSync) displays the accounts that have been updated.

An example of the report is shown below:

Account Number	Curr Rate	Prev Rate	Curr EffDate	Prev EffDate	Adj Rate	Borrower Name
700013410	0.10750	0.08500	03-14-2023	03-14-2023	0.02250	Agnes Lagana
700031347	0.09500	0.08500	04-11-2023	04-11-2023	0.01000	Terry Brinkman
700034523	0.06500	0.05500	02-08-2023	02-08-2023	0.01000	ABC Title Company, Inc.
23284240201	0.09250	0.07000	02-15-2023	02-15-2023	0.02250	Organization No. 3254
17170307601	0.10500	0.08250	04-01-2023	04-01-2023	0.02250	Randy Reinek
700048932	0.10250	0.08250	02-08-2023	02-08-2023	0.02000	Smith & Sons Collections
700012263	0.08750	0.07000	02-08-2023	02-08-2023	0.01750	Moraima Ruchar
700032709	0.06000	0.05500	02-08-2023	02-08-2023	0.02500	DVM Sports Complex
Total Records Added:		8				

Field Listing:

Field	Description
Account Number	The loan account number.
Curr Rate	The current interest rate on the loan account.
Prev Rate	The previous interest rate for the loan account.
Curr EffDate	The current effective date of the interest rate on the loan account.
Prev EffDate	The previous effective date of the interest rate for the loan account.
Adj Rate	The value of the "Interest Rate Adjusted By" field that was in effect on the Compensating Balances Information screen for the loan account.
Borrower Name	The name of the tax owner of the loan account.

Batch Application Reports

The Compensating Balances for Business Loans application produces four batch application reports. First, a report (DEPAVGDAAILYBAL.LIS) which displays the Loan Account and associated linked Deposit Accounts that count against the Threshold, thus making up the Compensating Balance.

The report sort order is by Loan Account Number then Deposit Account Number. Below is an example of the report:

Bank: Anywhere Financial		Compensating Balance Calculated Daily Balance		Run Date: 03-23-2023		
Report: DepAvgDailyBal				Post Date: 03-22-2023		
Queue Number : 9016				Run Time: 15:01:04		
Application Number: 524330				Cash Box:		
Queue Sub Number : 2						
SCHEMA OSIBANK						
DATABASE NAME NEONDMA4.WORLD						
RELEASE DNA 4.7.2.0						
03-23-2023 02:55:42 PM 184334 G:\OSI\BANK\5QT\4720\BAT_EXE\EXTNS\						
REPORT PARAMETERS						
Report Sort Option : 1						
Bank: Anywhere Financial		Compensating Balance Calculated Daily Balance		Run Date: 03-23-2023		
Report: DepAvgDailyBal				Post Date: 03-22-2023		
				Page: 1 of 3		
Loan Account Number	Account Owner Loan Officer	Deposit Account Number	Major	Minor	Status	Average Daily Balance
700002869	Organization No. 2888 Barry Learner	560165514	CK	BUSI	ACT	1,391.20
		Number of Deposit Accounts:	1	Sum of Average Balance:		1,391.20
		Average Balance Calculation Period:	60	Threshold:		2,000.00
				Pass or Fail:		Fail

700013410	Agnes Lagana Barry Learner	700110175	SAV	SV05	ACT	5.50
		Number of Deposit Accounts:	1	Sum of Average Balance:		5.50
		Average Balance Calculation Period:	30	Threshold:		50.00
				Pass or Fail:		Fail

Field Listing:

Field	Description
Loan Account Number	Account number for the loan account.
Account Owner	The name of the Tax Reported For owner of the account.
Deposit Account Number	Account number for the linked deposit account
Major	Major account type code for the deposit account.
Minor	Minor account type code for the deposit account.
Status	Account status of the deposit account.
Average Daily Balance	Average daily balance for the deposit account.
Loan Officer	The name of the loan officer assigned to the loan account.
Number of Deposit Accounts:	Total number of deposit accounts linked to the loan account listed on the report.
Sum of Average Balance:	The sum of the Average Daily Balance for the linked deposit accounts as last updated by the DepAvgDailyBal.sqt.
Average Balance Calculation Period:	The value of the Average Balance Calculation Period set for the loan account on the Compensating Balances Information screen.
Threshold:	The value of the Threshold set for the loan account on the Compensating Balances Information screen.

Field	Description
Pass or Fail:	<p>If the Sum of the Average Balance for the linked deposit accounts meets or exceeds the Threshold, then display Pass.</p> <p>If the Sum of the Average Balance for the linked deposit accounts is less than the Threshold, then display Fail.</p>

The Compensating Balances for Business Loans application produces a second report (COMPENSATINGBAL.LIS) to list all accounts that have had their interest rate adjusted on the day the report is run where the Automatic Rate Adjustment checkbox is not checked for the loan account on the Compensating Balances Information screen. The sort order is Borrower Name and then Account Number.

Below is an example of the report:

```

Bank: Anywhere Financial          Compensating Balance Interest Rate Adjusted Report          Run Date: 10-03-2017
Report: CompensatingBal          Post Date: 10-03-2017

Queue Number      : 6314          Run Time: 16:26:08
Application Number: 511111        Cash Box:
Queue Sub Number  : 2

                                SCHEMA
                                OSIBANK

                                DATABASE NAME
                                NEONDNA4.WORLD

                                RELEASE
                                DNA 4.2.3.0

                                11-01-2017 07:56:16 PM 236626 G:\OSI\BANK\SQL\4230\BAT_EXE\EXTNS\

                                REPORT PARAMETERS

Bank: Anywhere Financial          Compensating Balance Interest Rate Adjusted Report          Run Date: 10-03-2017
Report: CompensatingBal          Post Date: 10-03-2017
                                                Page: 1 of 1

Borrower Name      Account Number      Loan Balance      Current Interest Rate      Sum of Average Balance      Threshold      Next Interest Rate
ABC Title Company, LLC.      19638848901      394,033.41      11.50000%      83,333.33      105,000.00      13.50000%

-----
Number of Accounts:      1
    
```

Field Listing:

Field	Description
Borrower Name	The name of the Tax Reported For owner of the account.
Account Number	The loan account number.
Loan Balance	The current balance of the loan account.
Current Interest Rate	The current interest rate on the loan account.
Sum of Average Balance	The sum of the Average Daily Balance for the linked deposit accounts as last updated by the DepAvgDailyBal.sqt.
Threshold	The value of the Threshold set for the loan account on the Compensating Balances Information screen.
Next Interest Rate	The value of the new interest rate based on the current interest rate plus or minus the value of the Interest Rate Adjusted By set on the loan account on the Compensating Balances Information screen.

Field	Description
	<i>Note: If the threshold is met, the interest rate can be decreased by the value of the Interest Rate Adjusted field. However, If the threshold is met, and the next rate would result in a negative rate display if applied, the next rate will display as the same value as the current rate, as the program will not process to produce a negative rate.</i>
Number of Accounts:	Total number of accounts listed on the report.

A third report (DEPAVGBALTABLEPURGE.LIS) is an updating batch application. The batch application will purge the extension schema tables used by the Compensating Balance for Business Loans application for the average daily balance calculation based on the batch parameters. The batch application will purge all records in the DepAvgBal and DepAvgBalDtl table with an Effective Date that is less than or equal to the Effective Date entered. A report is produced and will display the number of records that have been purged from the extension schema table(s).

```

Bank: Anywhere Financial          Compensating Balance Calculated Daily Balance Purge          Run Date: 07-09-2018
Report: DepAvgBalTablePurge                                           Post Date: 07-02-2018

Queue Number      : 6214                                           Run Time: 22:36:06
Application Number: 511113                                         Cash Box:
Queue Sub Number  : 2

                                SCHEMA
                                OSIBANK

                                DATABASE NAME
                                NEONDNA4.WORLD

                                RELEASE
                                DNA 4.3.1.0

                                07-09-2018 05:44:30 PM 148749 G:\OSI\BANK\SQL\4310\BAT_EXE\EXTNS\

                                REPORT PARAMETERS

                                Effective Date: 07-02-2018          RptOnly_YN: Y

Bank: Anywhere Financial          Compensating Balance Calculated Daily Balance Purge          Run Date: 07-09-2018
Report: DepAvgBalTablePurge                                           Post Date: 07-02-2018
                                                Page: 1 of 1

Records Purged:          340
DepAvgBal Table:        32
DepAvgBalDtl Table:     248
    
```

Field Listing:

Field	Description
Records Purged	Displays the total number of records purged from the extension schema tables based on the parameter values entered.
DEPAVGBAL Table:	Displays the number of records purged from the DEPAVGBAL extension schema table based on the parameter values entered.
DEPAVGBALDTL Table:	Displays the number of records purged from the DEPAVGBALDTL extension schema table based on the parameter values entered.

The COMPENSATINGBALADJ.LIS is the fourth report and is an updating batch application. This report lists all accounts in the Compensating Balance program that have the Automatic Rate Adjustment checkbox checked for the loan account on the Compensating Balances Information screen.

If the Sum of Average Balance for the deposit accounts linked to the loan account meet or exceed the Threshold, the interest rate will be decreased. If the Threshold is not met, the interest rate will be increased.

The report can be run in ReportOnly_YN set to "Y" to see what will occur but will not update the database. If the report is run in ReportOnly_YN = 'N', the accounts that meet the criteria will have their interest rates updated and display on the report with "UPDATE" listed in the Action column.

Note: The Batch Start DNAApp is required to always be initiated on the same effective day prior to running the CompensatingBalAdj.sql updating.

Below is a sample of the report.

```

Bank: Anywhere Financial          Compensating Balance Interest Rate Adjustment          Run Date: 07-12-2018
Report: CompensatingBalAdj                                               Post Date: 07-06-2018

Queue Number      : 6223
Application Number: 511112
Queue Sub Number  : 2
                                                              Run Time: 09:20:26
                                                              Cash Box:

                               SCHEMA
                               OSIBANK

                               DATABASE NAME
                               NEONDNA4.WORLD

                               RELEASE
                               DNA 4.3.1.0

                               07-11-2018 11:37:16 PM 195394 G:\OSI\BANK\SQL\4310\BAT_EXE\EXTNS\

                               REPORT PARAMETERS

RptOnly_YN: Y

Bank: Anywhere Financial          Compensating Balance Interest Rate Adjustment          Run Date: 07-12-2018
Report: CompensatingBalAdj                                               Post Date: 07-06-2018
                                                              Page: 1 of 1

Borrower Name      Account Number  Loan Balance  Current Interest Rate  Sum of Average Balance  Threshold Balance  Int Rate Adj By  Next Interest Rate  Action

ABC Title Company  700037014      250,000.00   8.00000%                57,112.37                20,000.00         -5.25000%        2.75000%           SKIP*
ABC Title Company  700037030      100,000.00   6.75000%                 0.00                     5,000.00          1.00000%        7.75000%           UPDATE
ABC Title Company  22233421301    951,805.54   18.00000%                57,112.37                25,000.00         -1.00000%       17.00000%          SKIP*
Baker Brothers    700031412      550,000.00   7.25000%                 2,859.09                32,000.00         1.00000%        8.25000%           UPDATE
Barry Learner     700002900      50,000.00    4.00000%                 100.00                   5,000.00          1.00000%        5.00000%           UPDATE
Beatrice Beth Smith 700002760      50,000.00    6.50000%                 50,300.00                5,000.00          -1.00000%       5.50000%           UPDATE
Decorating Den    700039432      1,000,000.00 9.00000%                 33,771.37                50,000.00         1.00000%       10.00000%          UPDATE
First National Bank 700039797      200,000.00   7.75000%                 4,327,121.57            200,000.00        -1.00000%       6.75000%           UPDATE
Miller Organization 700035646      0.00         6.75000%                 2,195.98                 25,000.00         1.00000%        6.75000%           SKIP
Organization No. 3235 22233444402    44,393.24   11.50000%                 550.00                   5,000.00          1.00000%       11.50000%          SKIP
Organization No. 3254 23284240201    44,095.12   14.00000%                 107.87                   5,000.00          1.00000%       15.00000%          UPDATE
Organization No. 3544 700028013      35,000.00    9.00000%                 500.00                   10,000.00         1.00000%        9.00000%           SKIP
Smith & Sons       20836064602    17,684.65   11.25000%                14,634.67                50,000.00         1.00000%       11.25000%          SKIP*

* The interest rate cannot be adjusted at this time. The Loan Account is in Delinquency Rate Processing.
** The interest rate cannot be adjusted at this time. The Loan Account has a pending rate change within the next 30 days.
*** The interest rate cannot be adjusted at this time. The Loan Account has a Next Rate Change Date that is null or in the past.

=====
Number of Accounts:          13
Number of Updated Accounts: 7
Number of Skipped Accounts: 6
=====
    
```

Field Listing:

Field	Description
Borrower Name	The name of the Tax Reported For owner of the account.
Account Number	The loan account number.
Loan Balance	The current balance of the loan account.
Current Interest Rate	The current interest rate on the loan account.
Sum of Average Balance	The sum of the Average Daily Balance for the linked deposit accounts as last updated by the DepAvgDailyBal.sql.
Threshold Balance	The value of the Threshold set for the loan account on the Compensating Balances Information screen.
Int Rate Adj By	The value of the Interest Rate Adjusted By field set on the loan account on the Compensating Balances Information screen.
Next Interest Rate	The value of the new interest rate based on the current interest rate plus or minus the value of the Interest Rate Adjusted By set on the loan account on the Compensating Balances Information screen.

Field	Description
	<i>Note: If the threshold is met, the interest rate can be decreased by the value of the Interest Rate Adjusted field. However, If the threshold is met, and the next rate would result in a negative rate display if applied, the next rate will display as the same value as the current rate, as the program will not process to produce a negative rate.</i>
Action	If the loan accounts interest rate will be updated, UPDATE will display in the column. If the loan accounts interest rate will not be updated, SKIP, SKIP*, SKIP** or SKIP*** will display in the column.
Number of Accounts:	Total number of loan account displayed on the report.
Number of Updated Accounts:	Total number of loan accounts that have been updated.
Number of Skipped Accounts:	Total number of loan accounts that have been skipped.

If the interest rate cannot be changed, the loan account will display one of the following in the Action column:

- SKIP
- SKIP*
- SKIP**
- SKIP***

If the loan account meets the following criteria, SKIP will display in the Action column:

- Next Interest Rate ≤ 0 .
- Next Interest Rate is EQUAL to Current Interest Rate.
- Next Interest Rate $<$ the Minimum Rate setting at Account level (if available) otherwise using Product level setting to compare.
- Next Interest Rate $>$ the Maximum Rate setting at Account level (if available) otherwise using Product level setting to compare.
- The Account has been added to the Compensating Balances program where the Effective Date plus the Minimum Days to Rate Change is greater than the Current Post Date.

If the loan account is in Delinquency Rate Processing, SKIP* will display in the Action column.

If the loan account has a pending daily or scheduled rate change, SKIP** will display in the Action column.

- Daily rate change has a Rate Type of Variable and a Rate Change Calendar Period equal to Daily. If the effective date of the rate schedule assigned to the loan account and/or product level falls within the system date plus the number of days defined by the Pending Rate Change Days calculation variable.
- Scheduled rate change has a Rate Type of Variable and a Rate Change Calendar Period not equal to Daily. If the Next Rate Change Date minus the Rate Change Lead

Days on the loan account fall within the system date plus the number of days defined by the Pending Rate Change Days calculation variable.

If the loan account has a pending scheduled rate change and the Next Rate Change Date is null or in the past, SKIP*** will display in the Action column.

Screens:

Navigation:

Relationships Module > Maintenance > Loan Accounts (input a Loan Account to retrieve its information) > Show Menu > Maintenance > Compensating Balances Information.

Screen Appearance (Compensating Balances Information):

Compensating Balances Information						
Report						
Compensating Balances Information						
Threshold	75,000.00		Interest Rate Adjusted By	5.25000		
Average Balance Calculation Period	60		Minimum Days to Rate Change	32		<input type="checkbox"/> Automatic Rate Adjustment
Deposit Account List						
Account Number	Major	Minor	Status	Account Owner	Borrower Role	Link Status
560171678	Checking	Analysis Checking	Active	ABC Title Company,...		Linked
700034531	Savings	Traditional Savings	Active	ABC Corp	Joint	Linked
700034531	Savings	Traditional Savings	Active	ABC Corp	Joint Owner	Linked
700034614	Checking	Totally Free Checking	Dormant	ABC Title Company,...		Not Linked
						Delink
Close					Process	

Field Listing:

Field	Description
Compensating Balances Information	
Report <Menu>	In-screen Menu that allows the User to either Preview or Print the Compensating Balance History online report.
Threshold	The minimum Average Balance the borrower must maintain in the linked Deposit Accounts.
Interest Rate Adjusted By	Interest rate percentage that will be added or subtracted to the current interest rate depending on if the Average Balance drops below the Threshold amount or rises above it.
Average Balance Calculation Period	The number of days used to calculate the daily average balance. This value will default from the Avg Balance Calculation Period calculation

Field	Description
	<p>variable when the loan account is first selected for the Compensating Balance program.</p> <p>The value can be changed per loan account.</p> <p>Once the value is set at the loan account, it will then become a loan level value and will no longer look to the calculation variable value.</p>
Minimum Days to Rate Change	<p>The minimum number of days the loan must be in the Compensating Balance Program prior to a rate change being processed online or thru batch processing.</p> <p>This value will default from the Minimum Days for Rate Change calculation variable when the loan is added to the Compensating Balance program.</p> <p>Once the value is defaulted to the Minimum Days for Rate Change field, this number will be added to the date the loan was added to the Compensating Balance program and will not allow a rate change to occur until that date.</p> <p>Example: Loan is added to the Compensating Balance program on 07/21/2017 and the Minimum Days to Rate Change = 32. The date of 07/21/2017 + 32 days = 08/22/2017 so the first rate change for this loan account would not take place until 08/22/2017 or after when the online or batch application was run.</p>
Automatic Rate Adjustment <checkbox>	<p>If the Automatic Rate Adjustment checkbox is checked, then the interest rate on the loan account will be automatically adjusted when the new Compensating Balance Interest Rate Adjustment batch application is run in updating mode and the loan account will not be enabled to be adjusted on the Compensating Balances screen through the online process. If the User selects the Adjust Interest Rate button on the Compensating Balances screen, the message "The interest rate cannot be adjusted for Loan Account [Loan Account Number]" will be displayed.</p> <p>If the Automatic Rate Adjustment checkbox is unchecked, then the loan account will be enabled on the Compensating Balances screen to adjust the interest rate on the screen and the loan account will not be included when the Compensating Balance Interest Rate Adjustment batch application is run.</p>
Deposit Account List	
Account Number	Deposit Account Number.
Major	Major Deposit Account Type.
Minor	Minor Deposit Account Type.
Status	Account Status of the Deposit Account.
Account Owner	<p>The Tax Reported For owner of the Deposit Account.</p> <p>Note: If the Compensating Balances variable is null this field will not display.</p>

Field	Description
Borrower Role	The role that is given to the Commercial Loan Account Owner for the eligible Deposit Account displayed in the Deposit Account List. Note: If the Compensating Balances variable is null this field will not display.
Link Status	Indicates if the Deposit Account has been linked to the Commercial Loan. Possible values are "Linked" and "Not Linked".
Link/Delink <button>	By clicking the Link button, the user can link the chosen deposit account to be incorporated into the compensating balance calculation. By clicking the Delink button, the user can delink the chosen deposit account from being calculated in the compensating balance, counting against the loan.
Close <button>	Clicking the close button will force close the Compensating Balances Information screen and, if the Process button has not been clicked, no changes previously made will be saved.
Process <button>	If clicked, the changes made to the Compensating Balances Information by the user will be processed through the system.

Navigation:

DNA > Services > Maintenance > Loan > Compensating Balances

Screen Appearance (Compensating Balances):

Compensating Balances

Search Criteria

Search Criteria By Institution By Loan Officer

Query Clear

Close

Compensating Balances List

Borrower Name	Account Number	Loan Balance	Current Interest Rate	Sum of Avg Balance	Threshold	Pass / Fail	Next Interest Rate	Automatic Rate Adjustment
ABC Title Compa...	700034523	150,000.00	5.50000%	58,640.70	50,000.00	Pass	5.50000%	N
Agnes Lagana	700013410	0.00	9.75000%	5.50	50.00	Fail	9.75000%	Y
Brent SMITH	700048136	10,000.00	6.75000%		25.00	Fail	6.75000%	Y
DVM Sports Com...	700032709	300,000.00	10.50000%	7,888,172.52	6,000,000.00	Pass	8.00000%	Y
DVM Sports Com...	700038674	100,000.00	4.00000%	47,661.70	25.00	Pass	4.00000%	N
Moraima Kuchar	700022263	0.00	10.50000%	4.22	1.00	Pass	8.75000%	Y
Organization No. ...	700002869	44,000.00	6.25000%	1,391.20	2,000.00	Fail	6.25000%	Y
Organization No. ...	23284240201	0.00	9.25000%		10.00	Fail	11.50000%	N
Randy Reink	17170307601	50,000.00	10.50000%	5.50	100.00	Fail	12.75000%	N
Smith & Sons Coll...	700046809	10,000.00	6.75000%	15,861.70	25.00	Pass	6.75000%	N

Sync Rates Preview Sync Rates Adjust Interest Rate Detail

Additional Loan Details

Product: Commercial Loan Construction Projects Status: Active

Loan Limit: 1,000,000.00 Due Date: 12-26-2022

Last Rate Changed Date: 02-14-2023 Maturity Date: 05-18-2047

Field Listing:

Field	Description
Search Criteria	
By Institution <radio button>	Search option to view all eligible loan accounts from all loan officers across the Institution.
By Loan Officer <radio button>	Search option that will provide the loan accounts maintained by a specific loan officer. Note: Loan Officers and their portfolio's will only display if they are associated with the Loan Account using their designated Bank Option for a Loan Officer.
Query <button>	Will start the DNA database query run process based on the selection criteria entered from the preceding selection criteria and return the output in the Compensating Balances List grid.
Clear <button>	When selected, the previously chosen selection criteria will be negated and the Compensating Balances List grid will disappear.
Compensating Balances List	
Borrower Name	Name of the owner of the account (Tax Reported for Owner).
Account Number	Account number attached to the loan account.
Loan Balance	The remaining Note Balance of the loan.
Current Interest Rate	The interest rate that is currently being applied towards the Loan Balance.
Sum of Avg Balance	The sum of the Average Balances of the selected Deposit Accounts that are linked to the loan account over a period of time designated by the Financial Institution.
Threshold	The minimum Sum of Average Balance the borrower must maintain in the linked Deposit Accounts.
Pass / Fail	If the Sum of the Average Balance for the linked deposit accounts meets or exceeds the Threshold, then display Pass. If the Sum of the Average Balance for the linked deposit accounts is less than the Threshold, then display Fail.
Next Interest Rate	The Interest Rate that the loan will be changed to if the Average Balance goes above or below the Threshold value and is changed by the Loan Officer. If the threshold is met, the interest rate can be decreased by the value of the Interest Rate Adjusted field. However, If the threshold is met, and the next rate would result in a negative rate display if applied, the next rate will display the same value as the current rate, as the program will not produce a negative rate. If the threshold is not met, the interest rate can be increased by the value of the Interest Rate Adjusted field.
Automatic Rate	If the Automatic Rate Adjustment checkbox is checked on the Compensating Balances Information screen, then a "Y" will display in this column.

Field	Description
<p>Sync Rates Preview <button></p>	<p>If the Automatic Rate Adjustment checkbox is unchecked on the Compensating Balances Information screen, then an “N” will display in this column.</p> <p>The Sync Rates Preview button is disabled if the Single Rate Increase Only insituton level calculation variable is set to N. If the Single Rate Increase Only instutition level calculation variable is set to Y, the Sync Rates Preview button is enabled.</p> <p>This button is used to assist in the synchronization of the loan account interest rate with the penalty rate in the Compensating Balance program when a rate change has occurred after the penalty rate was set and was maintained by the Daily Loan Rate Changes (LN_INCHG) or Scheduled Loan Rate Changes (LN_SRTCH) batch applications.</p> <p>When the Sync Rates Preview Button is selected, the online Comp Bal Int Rate Sync Report (CompensatingBalSync) is generated and is displayed on the screen. This shows all accounts that are <u>expected</u> to have their interest rates maintained when the Sync Rates button is selected.</p> <p>The Comp Bal Int Rate Sync Report (CompensatingBalSync) shows any accounts that meet the following conditions.</p> <ul style="list-style-type: none"> • The interest rate is set to penalty rate with the Compensating Balance program. This can occur with the Compensating Balance Adju batch application or a manual change on the Compensating Balances screen. • The loan then had a rate change processed by one of the following batch applications: <ul style="list-style-type: none"> ➤ Daily Loan Rate Changes (LN_INCHG). ➤ Scheduled Loan Rate Changes (LN_SRTCH). • The interest rate must be maintained to the new penalty rate. <p>If the interest rate is outside the maximum interest rate, then account is not dispalyed.</p> <p>The Sync Rates Preview button is the “Report Only” view of what will occur if the Sync Rates button is selected to update the account interest rate and synchronize with the Compensating Balance program. If the account was set in “penalty” with the Compensating Balance program and then a rate change occurred thru the LN_INCHG or LN_SRTCH, the interest rates must then be synchronized with the correct penalty interest rate.</p>
<p>Sync Rates <button></p>	<p>The Sync Rates button is disabled if the Single Rate Increase Only insituton level calculation variable is set to N. If the Single Rate Increase Only instutition level calculation variable is set to Y, the Sync Rates button is enabled.</p> <p>This button is used to assist in the synchronization of the loan account interest rate with the penalty rate in the Compensating Balance program when a rate change has occurred after the penalty rate was</p>

Field	Description
	<p>set and was maintained by the Daily Loan Rate Changes (LN_INCHG) or Scheduled Loan Rate Changes (LN_SRTCH) batch applications.</p> <p>When the Sync Rates button is selected, the online Comp Bal Int Rate Sync Report (CompensatingBalSync) is generated and is displayed on the screen.</p> <p>The report display shows the accounts that were <u>updated</u> to synchronize the interest rate with the Compensating Balance program. If the account was set in "penalty" with the Compensating Balance program and then a rate change occurred thru the LN_INCHG or LN_SRTCH, the interest rates are then set and synchronized with the correct penalty interest rate.</p> <p>The accounts that are displayed on the report have their interest rates updated and the corresponding tables are maintained.</p> <p>The following occurs:</p> <ul style="list-style-type: none"> • The effective date of the current interest rate on the loan account controls what effective date is used for the update. <ul style="list-style-type: none"> ➤ If the effective date of the interest rate is less than the posting date, then an interest rate is inserted with an effective date as of the posting date. ➤ If the effective date is equal to the posting date, then the interest rate is inserted with an effective date of the day after the posting date. ➤ If the effective date is in the future, then the interest rate is updated for that effective date. • The interest rate is equal to the current interest rate on the loan account plus the value set in the Interest Rate Adjusted By field on the Compensating Balances Information screen for that loan account. • The CPBLLNRATECHGHIST table in the Extension schema is then set as follows: <ul style="list-style-type: none"> ➤ The EffDate is set to the new effective date for the interest rate. ➤ The PrevEffDate is set to the effective date of the old interest rate. ➤ The PrevInactiveDate is set to the new interest rate effective date. ➤ The PrevIntRate is set to the new interest rate minus the Interest Rate Adjusted By to set the correct penalty rate. ➤ The CurrIntRate is set to the new interest rate. <p>Once the report is closed, a message appears on the screen which shows the number of successful versus unsuccessful rate changes.</p>

Field	Description
	When the User clicks the Close button from the message, the grid view is then refreshed.
Adjust Interest Rate <button>	<p>If the user clicks the Adjust Interest Rate button and the Automatic Rate is set to “N”, the Current Interest Rate will be bumped to the Next Interest Rate listed in the Compensating Balances List grid. An Application Message confirming the change will appear.</p> <p>If the Next Interest Rate is greater than zero and the Current Interest Rate isn’t equal to the Next Interest Rate and the Next Interest Rate is equal to or greater than the Minimum Interest Rate and the Next Interest Rate is less than or equal to the Maximum Interest Rate then the Interest Rate will be updated, else the interest rate is not changed.</p> <p>If the proposed Next Interest Rate falls outside the minimum interest rate or maximum interest rate range as defined in the interest parameters at the account level or the product level if no account level parameters exist, a message will be displayed, and the interest rate will not be adjusted.</p> <p>If the Minimum Interest Rate or Maximum Interest Rate fields are left blank, they will be equal to zero.</p> <p>If the user clicks the Adjust Interest Rate button and the Automatic Rate is set to “Y”, the message “The interest rate cannot be adjusted for Loan Account [Loan Account Number]” will be displayed and the rate will not be adjusted.</p>
Detail <button>	By selecting the Detail button, the Additional Loan Details box will appear below the Compensating Balances List grid, displaying information relevant to the Loan requiring the compensating balance.
Additional Loan Details	
Product	Major and Minor Loan Account type.
Loan Limit	The maximum amount the Financial Institution will lend to the Account Owner based on that individual Loan Account.
Last Rate Changed Date	The date that the User last changed the rate on the loan.
Status	Current account status of the loan account.
Due Date	Next payment due date for the displayed loan.
Maturity Date	Date of maturity for the displayed loan.

Authorization:

These Authorization Items must be linked to an Authorization Code. Users must be granted permissions in order to access the screens and to maintenance fields and change rates on the screen.

Authorization Item Code	Description
ARAI	Adjust AcctRateHist App Auth Item
ARAU	Adjust AcctRateHist App Auth

Authorization Item Code	Description
RATE	Account Rate Maintenance
7719	CAPR 7719
7936	CAPR 7936
AMNT	Account Maintenance

Additional Requirements:

- DNA 2022.1 or higher.
- .NET Framework 4.5.2
- Core API 2.6 or higher (available for download from the Extranet).
- The Fiserv Core Api Batch Start DNAapp must be installed in DNA first. This DNAapp is a free application that may be downloaded from the AppMarket.
 - This application provides the ability to launch DNA batch applications that require updating the DNA application through Core API (Application Programming Interface). This application will create an authentication ticket associated with the User. This authentication ticket may be used during validation by a batch application.
 - Following installation of this DNAapp, the User must login to DNA and run the Core API Batch Start DNAapp from *Batch > Run Queues > Core API Batch Start DNAapp*.
 - The Batch Start DNAapp is required to always be initiated on the same effective day prior to running the CompensatingBalAdj.sqt updating.
 - The Compensating Balance Interest Rate Adjustment batch application should be set up to run using the normal queue setup. To be able to run the application, both authorizations of Core API 7719 and the 'ARAU - Adjust AcctRateHist App Auth' authorization profile need to be added to the appropriate User (the User who ran the Core API Batch Start routine as shown above to create the authentication ticket).
 - The CAPR 7936 authorization is required to utilize the Sync Rates button and functionality.

Configuration Checklist:

Item	Test Environment	Production Environment
Ensure the User has been granted access to use Core API 7719 to process rate changes using the 'Compensating Balances' custom screen.		

Item	Test Environment	Production Environment
Ensure the User has been granted access to use Core API 7936 to access the Sync Rates button and functionality.		
Ensure the User has been granted 'AMNT - Account Maintenance' Authorization Item to consolidate with standard Loan Account Maintenance screen for using the 'Compensating Balances Information' custom screen.		
Ensure that the 'ARAU - Adjust AcctRateHist App Auth' authorization profile has been added to the appropriate User(s). This profile contains the new auth item ARAI (Adjust AcctRateHist App Auth Item) and auth permissions should be reviewed.		
Ensure the User has been granted 'RATE - Account Rate Maintenance' Authorization Item is to modify the interest rate through the use of the custom Compensating Balances for Business Loans application screens.		
Ensure the DepAvgDailyBal.sql application is in the DNAcreator batch application directory (typically G:\OS\Bank\Bat_exe\EXTNS\)		
Ensure CompensatingBal.sql application is in the DNAcreator batch application directory (typically G:\OS\Bank\Bat_exe\EXTNS\)		
Ensure the CompensatingBalAdj.sql application is in the DNAcreator batch application directory (typically G:\OS\Bank\Bat_exe\EXTNS\)		
Ensure the DevAvgBalTablePurge.sql application is in the DNAcreator batch application directory (typically G:\OS\Bank\Bat_exe\EXTNS\)		
Ensure the Core API Batch Start DNAapp is downloaded and installed.		
Ensure the Batch Start DNAapp is initiated on the same effective day prior to running the CompensatingBalAdj.sql updating.		
Set up Queue Application Parameters		
Set up Deposit Roles Variables (Navigation: System > Institution > Variables > Compensating Balances)		

Installation:

The Fiserv Core Api Batch Start DNAapp must be installed in DNA first. This DNAapp is a free application that may be downloaded from the AppMarket.

- This application provides the ability to launch DNA batch applications that require updating the DNA application through Core API (Application Programming Interface). This application will create an authentication ticket associated with the User. This authentication ticket may be used during validation by a batch application.
- Following installation of this DNAapp, the User must login to DNA and run the Core API Batch Start DNAapp from *Batch > Run Queues > Core API Batch Start DNAapp*.

- The Batch Start DNAapp is required to always be initiated on the same effective day prior to running the CompensatingBalAdj.sqt updating.
- The Compensating Balance Interest Rate Adjustment batch application should be set up to run using the normal queue setup. To be able to run the application, both authorizations of Core API 7719 and the 'ARAU - Adjust AcctRateHist App Auth' authorization profile need to be added to the appropriate User (the User who ran the Core API Batch Start routine as shown above to create the authentication ticket).
- The CAPR 7936 authorization is required to utilize the Sync Rates button and functionality.

Revisions:

Date	App Version #	Change
04/2023	1.0.0.5	Application updated with enhancement of synchronizing the account rates due to more frequent prime rate changes. This only affects accounts where the Single-Rate Processing calculation variable is set to Y.
01/2020	1.0.0.4	Application updated to correct issue found with v1.0.0.3 – when the Single-Rate Processing calculation variable was set to Y and an account was using the automated rate change batch component in an Atomic Scheduler processing environment, a rate could be lowered initially in error if the loan met the threshold requirements, and the account variable sand processing were in a certain configuration.
08/2018	1.0.0.3	Application Updated to include new calculation variables and application messages.
05/2018	1.0.0.2	Application Updated with new option to restrict rate changes to “raise/lower only” and a new table to support rate change tracking.
01/2018	1.0.0.1	Application Updated to support DNA 4.2.2. Added new enhancements.
04/2015	1.0.0.0	Application Created