



PRODUCT BRIEF

# FactorSoft® for Asset-Based Lending

Technology to nimbly and safely  
lend across the full credit spectrum

**jack henry** lending

The challenge in lending is that nothing stays the same. Collateral values rise and fall with age, use, the economy ... even the weather. Also, in constant flux are your borrowers. As their needs for capital and their risk profiles change, you must adjust their terms and products. The flexibility to quickly make these changes protects you.

The FactorSoft platform supports 10 asset types that you can add as you diversify your portfolio. Each class is valued and monitored through controls specifically designed for that type of asset, allowing closer scrutiny and more accurate valuation. What's more, collateral types can be blended in any combination to support a loan balance for lending creativity.



Move lenders from the traditional periodic control of collateral to a system of perpetual control with minimal intervention.

### **FactorSoft gives lenders the ability to rigorously monitor and control the widest range of collaterals in a single portfolio management system, including:**

**A/R DETAIL** - This asset class, commonly associated with factoring, manages the vast amount of detail associated with processing clients' invoices (accounts receivable). Extensive fee, interest floor, and ceiling options support the most complicated of asset purchase deals.

**BULK A/R** - Bulk accounts receivable is the traditional borrowing base that manages the collateral valuation method. It tracks ineligible and applies an advance rate to determine the lending threshold. The user defines the ineligible categories and the frequency of certificate postings.

**A/R AGING** - A/R Aging manages accounts receivable collateral by posting totals for summary aging and applying discount and advance rates at the bucket age level to establish availability. Setting options include limits and rates for each aging bucket and an aging ineligible calculation for each posting.

**INVENTORY BULK** - This collateral provides a method for valuing single inventory classes used in borrowing bases. It allows users to update the inventory value by rolling the current inventory balances into the updated values by posting new purchases, new returns and adjustments, and reductions for sold inventory.

**INVENTORY SUMMARY** - This borrowing base is established using a variety of control techniques and tracked by user-defined categories, along with individual category settings for advance rates and limits. It includes the ability to convert cost basis value to a secondary valuation basis that more closely represents the expected market- or net-realizable value.

**MEDICAL RECEIVABLES** - This borrowing base, commonly used in healthcare lending, establishes user-defined categories and assigns historic cash discount rates to convert the reported value to net collectable value. FactorSoft generates aged ineligibles, summarizes adjusted category values, and calculates collateral availability.

**EQUIPMENT** - This borrowing base manages equipment as additional collateral used as support for a line of credit. Users can itemize by individual piece or category. The availability is based on the reported value discounted by the established advance rate. It can be reserved further by selecting a user-defined schedule that automatically depreciates the collateral value over the useful life of the asset.

**REAL ESTATE** - This borrowing base incorporates real estate asset values as calculated loan security. The availability calculates based on the reported value discounted by the advance rate. Additional information for this type of borrowing base includes cost and appraised values, description and location, and relevant dates.

**SECURITIES** - This borrowing base manages traded securities as additional collateral to support a loan. The availability calculates based on the current trading value per share and is discounted by the advance rate.

**PURCHASE ORDERS** - This borrowing base uses purchase orders as additional collateral to support loans. Availability calculates based on reported value discounted by the advance rate. Additional information captured includes order number, supplier, purchase terms, and relevant dates.



FactorSoft gives you the ability to implement credit controls that justify your position with the borrower.

For more, visit [jackhenry.com/lending](https://jackhenry.com/lending) today, or [contact us](#).