

The value of integrated, real-time loan reporting

In an exclusive article for ACI, [Kevin Hogan](#) discusses the value of integrated, real-time loan reporting in private credit using Aztec Group's Loan Servicing Unit. Read Kevin's article below:

The private credit data management and reporting challenge

As companies continue to turn to private credit to meet their financing needs, the role of data in portfolio management has become critical. Accurate, timely, and comprehensive data is essential for assessing risk, valuing assets, servicing investors, and making investment decisions. However, private credit fund managers face significant challenges in managing their data and reporting across different systems, as well as accessing the necessary expertise to navigate these complexities.

One of the primary issues is disparate data sources and often incompatible technology solutions. This fragmentation can lead to inefficiencies, data loss, and delays in processing and reporting. Another challenge is the growing burden of regulation, increasing compliance costs, and the risk of errors. Fund managers need a cohesive data ecosystem that optimizes processing, supports high transaction volumes, captures granular data efficiently, and provides transparency through flexible reporting capabilities.

Integrating technology and expertise

Aztec Group's Loan Servicing Unit (LSU) offers a comprehensive solution to these key challenges.

The service combines the specific loan expertise of its team with the specialised capabilities of the eFront Debt loan processing system to provide end-to-end support for private credit funds. It is agnostic to NAV cycles, resulting in speedier and more efficient processing and the ability to provide real-time position reporting to clients.

The service focuses predominantly on updating the Investment Book of Record

(IBOR) which integrates seamlessly and immediately with the eFront General Ledger (GL) to create the Accounting Book of Record (ABOR). This integration eliminates delays and data loss that can occur when porting information between separate systems. Additionally, the LSU's ability to model loan cashflows and returns from start date to maturity provides clients with immediate forecasts of loan performance and expected cashflows.

By profiling the loan events from day one, the LSU records expected cashflows and timings in the system as draft postings, allowing for efficient monitoring of expected cash receipts and shadowing of agents' notifications. The LSU has also built a core suite of loan reports that can be provided to clients as frequently as daily, offering a real-time review of administrators' workings rather than receiving quarterly reports several weeks after a quarter-end.

The LSU leverages these key components:

- 1. Real-time processing and reporting** – this replaces historic accounting in arrears, meaning decisions are based on up-to-date data.
- 2. Automated and integrated reports** – system-generated reports produce faster and more accurate reporting while reducing risk and human error.
- 3. Instant loan modelling reporting** – the LSU provides instant loan modelling and future cash projection reporting of expected cash flows.
- 4. An expert team** – a dedicated and skilled team of loan experts manages on-demand requirements for managers and investors.

Aztec's unique integrated loan and GL model, expert teams, surrounding technology, and data management is providing fund managers with the comprehensive and timely reports they need to make investment decisions based on integrated data. Fund managers can now streamline the creation of regulatory filings and support daily NAV requirements. This has elevated the investor experience by providing transparency and enabling early detection of potential financial issues, giving managers a competitive edge in the burgeoning private credit market. By addressing the challenges of reporting and managing daily loan data holistically, Aztec has set a new standard for operational efficiency and investor satisfaction.

Please contact us below to find out how our LSU can support you.



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