# Redmine #4859

**A. Loan Eligibility Criteria**

* Only Active loans are considered for payment processing.
* Loans with Cancelled status are strictly excluded.
  + *Cancelled loans will not be picked up by the payment service.*

**B. Due Date Selection Logic**

* Instalments are selected when:
  + Instalment Due Date ≤ Execution Date
* Example:
  + Instalment Due Dates: 10th Nov, 11th Nov
  + Execution Date: 11th Nov
  + Both instalments (10th and 11th Nov) are selected for payment.

**C. Due Amount Calculation**

* Only the due amount of an instalment is charged.
* Fully paid instalments are ignored.
* Example:
  + Instalment Amount: $15,000.00
  + Amount Already Paid: $5,000.00
  + Due Amount Charged: $10,000.00

Note: *The system targets only the outstanding due amount.*

**D. Fee Consideration (Late Fee / Other Fees)**

* Additional fees such as Late Fee or other applicable charges are included.
* Example:
  + Instalment Due Amount: $15,000.00
  + Late Fee: $2,500.00
  + Total Amount Charged: $17,500.00

Note:

* Fees are applied only for Active loans.
* *Cancelled loans are not picked up even if fees exist.*

**E. Payment Application and Balance Update**

* Once payment is received successfully:
  + Payment is applied to the respective loans.
  + Loan balances and installment statuses are updated correctly.

Note: *Payment is applied only on successful transaction.*

Summary

* Only active loans are processed by the payment service.
* Installments are selected based on due date and execution date.
* Partial payments are handled correctly by charging only due amounts.
* Late fees and applicable charges are included accurately.
* Cancelled loans are completely excluded from payment processing.

Status: Tested and Verified