**QA Report**

**Date**: 30-January-2026

**Tester Name**: Deeksha Singh

**Test Summary**

|  |  |
| --- | --- |
| Total Test Cases | 2 |
| Executed | 2 |
| Passed | 2 |
| Failed | 0 |
| Blocked | 0 |

**Test Cases**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Test Case ID** | **Scenario** | **Expected Result** | **Actual Result** | **Status** |
| TC\_01 | Verify Reduced Premium (RP) calculation | RP principal and interest should be reduced from remaining loan as per defined logic | |  | | --- | | Calculation performed correctly as per specification |  |  | | --- | |  | | Pass |
| TC\_02 | |  | | --- | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | |  | | --- | |  |  |  | | --- | | Verify EPIC transaction codes and narratives for RP | |  |  | | --- | |  | | | ENDA and IPFO transactions with correct narratives should be generated | Transaction codes and descriptions updated correctly | Pass |

**Remarks**

* Reduced Premium (RP) business logic is implemented similar to Additional Premium (AP), with the exception that RP **reduces the remaining loan balance**.
* RP is **not refundable by the finance company**; client refunds are handled by the broker externally.
* Principal reduction is calculated as **(RP + 15% GCT) divided by remaining installments** and subtracted from remaining principal.
* Interest reduction is calculated using the **original loan interest rate** and subtracted evenly across remaining installments.
* Both **principal and interest balances are adjusted downward** for RP.
* **Transaction Code ENDA** is used for principal reduction entries.
* **Transaction Code IPFO** is used for interest reduction entries.
* EPIC narratives clearly indicate the installment sequence (e.g., *RP on 3 of 8 Monthly Installments*).
* **Calculation changes have been completed as described above.**
* **EPIC transaction code and transaction description have been updated accordingly.**

**Final Status**

Reduced Premium (RP) calculation changes and EPIC transaction updates are completed as per specification and approved for production deployment.