

nCino Business Value Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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Questions

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- 1. Where is collateral information stored during the loan process?**
 - A. In the loan agreement document.**
 - B. On the collateral record.**
 - C. In the borrower's financial statements.**
 - D. In the loan underwriting report.**
- 2. Which feature allows nCino to assist in reviewing multiple loans simultaneously?**
 - A. Credit Actions feature**
 - B. Loan Consolidation option**
 - C. Batch Processing feature**
 - D. Product Package functionality**
- 3. What icon would you click to mark a record as a favorite in nCino?**
 - A. Star Icon**
 - B. Heart Icon**
 - C. Checkmark Icon**
 - D. Bookmark Icon**
- 4. What are the two methods to open new deposit accounts?**
 - A. By phone and in person**
 - B. In-branch and online**
 - C. Through mail and online**
 - D. In person and via fax**
- 5. What constitutes a material change to the loan?**
 - A. Changes in collateral value**
 - B. Change in structure requiring additional approval**
 - C. Minor adjustments to payment terms**
 - D. Documenting customer feedback**

- 6. Where is the credit analysis populated in the nCino system?**
- A. On the project's budget summary**
 - B. Within the financial reports section**
 - C. On the Credit Memo**
 - D. In the disbursement tracking log**
- 7. What is the purpose of entering beneficiary data in a deposit account?**
- A. To allocate funds automatically**
 - B. To manage account fees**
 - C. To save data specific to relationships acting as beneficiaries**
 - D. To forecast account growth**
- 8. What is the primary purpose of budget templates in construction management?**
- A. To create financial reports for stakeholders**
 - B. To track all aspects of the construction budget in a single location**
 - C. To manage employee payroll during construction**
 - D. To set interest rates on loans for contractors**
- 9. What is it called when changes occur with the business post-closing?**
- A. Modification**
 - B. Renewal**
 - C. Covenant Adjustment**
 - D. Credit Action**
- 10. What is ESG primarily used for?**
- A. Evaluating a company's marketing strategies**
 - B. Assessing a company's sustainability and societal impact**
 - C. Determining a company's profit margins**
 - D. Understanding employee satisfaction levels**

Answers

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- 1. B**
- 2. D**
- 3. A**
- 4. B**
- 5. B**
- 6. C**
- 7. C**
- 8. B**
- 9. A**
- 10. B**

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Explanations

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1. Where is collateral information stored during the loan process?

- A. In the loan agreement document.**
- B. On the collateral record.**
- C. In the borrower's financial statements.**
- D. In the loan underwriting report.**

The primary storage location for collateral information during the loan process is on the collateral record. This record is specifically designed to track all details related to the collateral associated with a loan. It includes important information such as the type of collateral, its value, ownership details, and any relevant documentation that supports the loan transaction. Storing collateral information in the collateral record allows for efficient management and retrieval of collateral specifics throughout the loan lifecycle. This ensures that all stakeholders involved in the loan process have access to consistent and accurate information regarding the collateral, which is crucial for assessing risk and determining loan terms. In contrast, while the other options might contain relevant information, they do not serve as the primary repository for collateral details. For example, the loan agreement document outlines the terms of the loan but does not specifically track collateral information. Similarly, borrower financial statements provide insights into the borrower's overall financial health but do not focus on collateral specifics. The loan underwriting report may summarize the overall approval decision and risk assessment but does not house detailed collateral data.

2. Which feature allows nCino to assist in reviewing multiple loans simultaneously?

- A. Credit Actions feature**
- B. Loan Consolidation option**
- C. Batch Processing feature**
- D. Product Package functionality**

The Product Package functionality is the correct option as it enables nCino users to efficiently review and manage multiple loans at the same time. This feature allows financial institutions to bundle various loan products and present them within a unified package, streamlining the review process for loan officers and reducing the need to handle each loan individually. By utilizing Product Packages, teams can attain a holistic view of the customer's borrowing needs and quickly assess the overall package of loans, which enhances decision-making efficiency. The ability to see relationships between loans and related products fosters better customer service and helps in tailoring solutions that meet the specific needs of the borrower. Thus, the functionality directly addresses the requirement of reviewing multiple loans simultaneously, enhancing operational efficiency and effectiveness in loan management.

3. What icon would you click to mark a record as a favorite in nCino?

- A. Star Icon**
- B. Heart Icon**
- C. Checkmark Icon**
- D. Bookmark Icon**

In nCino, the star icon is the designated symbol used to mark a record as a favorite. This functionality allows users to easily access frequently used records or important entries by favoriting them. The use of a star as a favorite marker is consistent across many applications and platforms, making it a familiar concept for users. When a user clicks on the star icon, it visually indicates that the record is now marked as a favorite, providing quick and easy access in the future. This design choice enhances user experience by allowing for efficient navigation and retrieval of preferred records within the system. Other options, such as the heart icon, checkmark icon, and bookmark icon, may symbolize affection, approval, or quick saving, respectively, but they do not represent the specific function of marking something as a favorite in the context of nCino. Thus, the star icon is the correct choice, as it aligns with the established functionality and user interface design conventions within the platform.

4. What are the two methods to open new deposit accounts?

- A. By phone and in person**
- B. In-branch and online**
- C. Through mail and online**
- D. In person and via fax**

The correct answer highlights two modern and widely accepted methods for opening new deposit accounts: in-branch and online. Opening accounts in-branch allows customers to have face-to-face interactions with bank representatives, providing them with personalized assistance and the ability to ask questions directly. This method is particularly valuable for individuals who may have complex inquiries or prefer human interaction. On the other hand, opening accounts online offers convenience and efficiency, aligning with the growing trend of digital banking. This method allows customers to open accounts from anywhere at any time, significantly reducing the time and effort required compared to traditional methods. As more consumers become accustomed to online services, providing both in-branch and online options caters to a wider range of customer preferences. This combination reflects the dual approach many financial institutions are adopting: maintaining physical locations while also embracing the digital transformation in banking services.

5. What constitutes a material change to the loan?

- A. Changes in collateral value**
- B. Change in structure requiring additional approval**
- C. Minor adjustments to payment terms**
- D. Documenting customer feedback**

A material change to a loan typically refers to significant alterations that affect the terms or conditions under which the loan was originally granted. This includes changes that require additional scrutiny or approval from relevant stakeholders, such as lenders or compliance departments. In this context, a change in structure requiring additional approval signifies that the modifications are substantial enough to alter the risk profile or obligations related to the loan. This could involve restructuring the loan agreement, changing the type of loan, or significantly altering repayment schedules that might impact the lender's and borrower's original agreement. Changes in collateral value can also suggest a shift in the loan's risk, but they may not necessitate a structural change or require fresh approval. Minor adjustments to payment terms typically do not rise to the level of materiality, as they are often seen as normal course adjustments. Documenting customer feedback can be valuable but does not constitute a change to the loan's terms or conditions. Thus, the most accurate representation of a material change is linked to structural adjustments needing additional approvals.

6. Where is the credit analysis populated in the nCino system?

- A. On the project's budget summary**
- B. Within the financial reports section**
- C. On the Credit Memo**
- D. In the disbursement tracking log**

The credit analysis is populated in the nCino system specifically on the Credit Memo. The Credit Memo serves as a key document where detailed evaluations and assessments of a borrower's creditworthiness are recorded. It typically includes various financial metrics, risk assessments, and justifications for the proposed credit decision. This document acts as a comprehensive summary of the credit analysis, allowing stakeholders to review and make informed decisions regarding lending approvals. The other options, while they may contain relevant information about financial aspects, do not serve the specific purpose of centralizing and documenting the credit analysis as effectively as the Credit Memo does.

- 7. What is the purpose of entering beneficiary data in a deposit account?**
- A. To allocate funds automatically**
 - B. To manage account fees**
 - C. To save data specific to relationships acting as beneficiaries**
 - D. To forecast account growth**

Entering beneficiary data in a deposit account is primarily about maintaining specific information related to individuals or entities designated to receive the account's assets upon the account holder's death or in certain circumstances. This data facilitates clear relationships and ensures that beneficiaries are recognized and can be efficiently identified when necessary. By saving this information, financial institutions can access it easily during critical situations, thereby streamlining the process of transferring assets and reducing potential legal complications. Understanding who the beneficiaries are and how they are linked to the account helps ensure that the account holder's intentions are honored, and it provides clarity about who will receive the funds. This focus on clarity and relationship management underscores the importance of accurately capturing beneficiary information, differentiating it from other financial management functions such as automatic fund allocation, fee management, or forecasting account growth, which do not specifically relate to identifying or maintaining beneficiary information.

- 8. What is the primary purpose of budget templates in construction management?**
- A. To create financial reports for stakeholders**
 - B. To track all aspects of the construction budget in a single location**
 - C. To manage employee payroll during construction**
 - D. To set interest rates on loans for contractors**

The primary purpose of budget templates in construction management is to track all aspects of the construction budget in a single location. By consolidating various financial elements such as projected costs, actual expenditures, and variances, these templates provide a comprehensive view of the project's fiscal status. This centralized tracking facilitates better decision-making, ensuring that project managers can monitor financial health, allocate resources effectively, and identify any potential budget overruns early on. Budget templates also enhance collaboration among project stakeholders by providing a clear and organized framework for financial planning. This structured approach helps ensure that all parties involved are on the same page regarding costs, scopes, and expected financial outcomes. Overall, the effectiveness of budget templates lies in their ability to streamline financial management processes within the construction realm.

9. What is it called when changes occur with the business post-closing?

- A. Modification**
- B. Renewal**
- C. Covenant Adjustment**
- D. Credit Action**

The correct term for changes that occur with a business after closing is referred to as "Modification." In a financial context, a modification generally involves changes to the terms of the agreement, such as adjusting repayment schedules, interest rates, or other significant conditions tied to the agreement. This is often necessary when a borrower experiences changes in their financial situation that could affect their ability to meet the original terms of the deal. Recognizing that modifications are a common practice in lending and finance helps stakeholders manage risk and maintain relationships with clients, adapting to new circumstances while still adhering to the overall goals of the agreement. Understanding modifications is essential for evaluating how businesses can maneuver through post-closing scenarios effectively. The other options refer to distinct concepts. Renewal typically pertains to extending the duration of a contract or agreement, covenant adjustments are specific changes to the covenants in a financial contract, and credit actions usually relate to decisions about extending new credit or adjusting existing credit terms based on the creditworthiness of the borrower. These terms, while related to financial transactions, do not specifically encapsulate the broader nature of changes made post-closing as accurately as "Modification" does.

10. What is ESG primarily used for?

- A. Evaluating a company's marketing strategies**
- B. Assessing a company's sustainability and societal impact**
- C. Determining a company's profit margins**
- D. Understanding employee satisfaction levels**

ESG stands for Environmental, Social, and Governance. It serves as a framework for evaluating a company's performance in terms of sustainability and its broader societal impact. This includes how companies manage risks and opportunities related to environmental changes, the relationships they build with shareholders and stakeholders, and their governance practices. By assessing ESG factors, investors and stakeholders gain insight into a company's ethical impact and sustainability practices—elements that are increasingly important in financial decision-making. Focusing on ESG allows companies to demonstrate their commitment to responsible practices, which can lead to long-term value creation and enhance their reputation. While analyzing marketing strategies, profit margins, and employee satisfaction are important for overall business operations, they fall under different categories of analysis. ESG specifically targets the sustainability practices and societal contributions of a company, making it a distinct and crucial aspect in today's business landscape.