

Loan Administration

7 key challenges that might be holding you back (and how to avoid them)

What are your loan administration practices costing you in hidden performance drag?

How many hours per week do you spend reconciling spreadsheet discrepancies and chasing borrower information?

It's a difficult figure to quantify, but the impact of time spent on manual administrative processes rather than strategic decision-making is significant. Investor expectations grow every year, while data demands intensify and loan structures become increasingly complex.



A recent [Beacon Platform study](#) found that nearly three in four fund executives believe their firms could better utilise their time currently spent on spreadsheet-based portfolio analytics and optimisation and that spreadsheets increase exposure to operational and financial risks. The report also found that most funds use spreadsheets for up to **50%** of their workflows.



The consequences of inefficiency are stark:

- Delayed settlements,
- Covenant breaches and
- Increasingly curious investors who demand greater operational transparency before committing capital

Many private credit managers now identify operational inefficiencies as their biggest barrier to scaling assets under management.

Loan administration is no longer a mere back-office function; it's a critical strategic lever underpinning fund performance, investor confidence and scalability. Yet, despite advancing technology, many firms still rely on outdated tools and patchwork processes that fail to deliver.

"Getting the job done" simply isn't enough. Today's investors scrutinise not just what you do but how you do it, from the governance of your back-office operations to the reliability of your reporting and the stakes have never been higher, with potential impacts ranging from loss of trust to regulatory penalties.





How are top-performing fund managers navigating these challenges?

The most efficient fund managers aren't just avoiding risk—they're redesigning their operations around it by pairing deep domain expertise with purpose-built technology.

This guide breaks down the key challenges in loan administration today—and how to overcome them with the right tools, the right team and the right partner.

In this guide, you'll learn about:

Part 1

7 costly loan administration challenges that might be holding you back

Part 2

How top fund managers overcome these challenges

Part 3

What best-in-class loan administration looks like



7 costly loan administration challenges that might be holding you back

1 Using spreadsheets to manage complex loan operations

Spreadsheet software is widespread because it's familiar and readily available but it wasn't designed to manage institutional loan portfolios and it doesn't take long for the cracks to show.

Spreadsheets are prone to version control issues, broken formulas and a lack of auditability, all of which increase operational risk and take a toll on investor confidence. As portfolios scale and become increasingly complex, manual systems simply can't keep up.

Without automated workflows, thorough data validation and collaboration features, the result is a manual system that limits visibility and scale, making it difficult to spot early warning signs or run effective analyses. Teams can spend hours consolidating data, reconciling figures and fixing manual errors that could have been avoided with automation.

2 Taking technology at face value

Many providers claim to have "smart" technology, but behind the curtain, many of these solutions rely on manual inputs, disconnected systems, or glorified spreadsheets. This surface-level automation can create a false sense of security, masking underlying inefficiencies that cause mistakes and delays.

Without true end-to-end integration, inefficiencies like data re-entry and delayed reports start to creep in. The risk of mistakes rises, putting pressure on internal teams and potentially damaging credibility with investors.

3 Living with settlement delays

Settlement delays are more than an inconvenience. They can directly impact fund performance, trigger compliance breaches, impact liquidity and erode investor trust. When settlements are late, it can delay distributions, distort performance metrics and even result in missed interest payments or failed test triggers.

4 Relying on teams who don't truly understand loans

Not all loan administrators are created equal. Some can crunch numbers and post a transaction, but lack the depth of expertise to spot anomalies, interpret legal agreements and covenant language, or pre-empt operational changes over the loan term.

Without true domain expertise, your administrator might miss subtle but significant issues, like a borrower who changes reporting frequency or financial ratios that suggest deteriorating credit quality or impact margin.

5 Flying blind without real-time data

Static reports and end-of-month reconciliations make it nearly impossible to identify and act on risks early enough to prevent them from snowballing.

Additionally, the UK market presents unique reporting challenges for fund managers in 2025, with the FCA's increased focus on private markets raising the bar for operational excellence. UK funds face particular pressure around:

- **Enhanced settlement reporting:** [New FCA requirements](#) mandate T+1 settlement reporting for certain loan types, creating operational strain for manually-administered portfolios
- **Consumer Duty impacts:** Extended Consumer Duty rules now impact how even institutional lenders must document, track, and report on certain loan types, adding complexity to covenant monitoring
- **Climate-related disclosures:** UK funds must now demonstrate how their loan portfolios align with climate risk standards, requiring data granularity that spreadsheet-based systems struggle to provide

6 Struggling with incomplete or inconsistent borrower data

Borrowers often provide financial data in varying formats and on irregular schedules, making it difficult to track covenants, perform credit reviews, or deliver consistent reporting.

If your loan administrator lacks the systems or processes to validate and standardise this data, you might miss key compliance deadlines or rely on inaccurate information when making important decisions.

7 Staying with the wrong provider out of convenience

Why change from loan administrator?

Changing loan service providers can feel daunting, especially for Collateralised Loan Obligations (CLOs) structures, but staying with one who isn't keeping pace can quietly drain your resources and undermine your long-term growth.

Over time, inefficiencies compound. You may find yourself building manual workarounds, paying for supplementary systems, or allocating more resource to oversight and error correction. Even worse, your investors may start to question the effectiveness of your back-office operations.

The longer you maintain a relationship with the wrong provider, the harder it becomes to course-correct.

Part 2

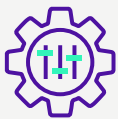
How top fund managers overcome these challenges

Industry-leading fund managers avoid these common pitfalls by building loan administration processes that anticipate complexity, inspire investor confidence and scale with ease. The firms that outperform invest in a smarter combination of purpose-built technology and deep, domain-specific expertise.

Here's what sets top fund managers apart—and how they avoid the seven challenges we covered in Part 1.

Real integration across the tech stack

Most loan administration providers promise automation, but high-performing fund managers look deeper, selecting technology platforms that go beyond surface-level automations to deliver real integration across front, middle and back-office operations. With real-time visibility across your portfolio, internal and external stakeholders alike get a single, accurate source of truth.



Integration in practice

Reports show live data from loan tracking systems and settlements update investor dashboards automatically. Testing triggers and compliance alerts sync across workflows. Your entire data ecosystem stays in sync with no manual reconciliation processes.



Key takeaway

Integrated systems increase speed, accuracy and visibility at every stage of the credit lifecycle, turning operations from a bottleneck into a competitive advantage.

Specialised teams who understand credit complexity

You can't scale loan operations with generic administrative support. Top managers work with loan administration teams who have spent their entire careers navigating the nuances of leveraged loans, private debt and CLO structures. These teams know how to interpret loan agreements and covenant language, effectively manage borrower data and resolve issues before they become escalations.



Dedicated expertise in practice

If a borrower submits non-standard financials or incomplete data, your loan administration team knows exactly how to normalise the data and collect the missing pieces for covenant testing because they've done it across dozens of sectors. You won't find yourself explaining your deal structures—instead, you'll execute them.



Key takeaway

Expertise isn't a nice-to-have. **It's the difference between smooth execution and constant firefighting.**

Operational flexibility without added complexity

Growth and complexity often go hand-in-hand, but high performing managers avoid bloat by building scalable operations that flex with their portfolio, not against it. This includes streamlined onboarding processes, structured data migration strategies and modular workflows to accommodate different loan types and jurisdictions.



Flexible operations in practice:

CLO managers can onboard a new vehicle without reconfiguring their entire data structure. Private debt funds can onboard dozens of new loans with confidence, knowing their loan administrator has the infrastructure to handle the load.



Key takeaway

Operational resilience comes from structure, not from spreadsheets. Smart scale requires smart systems and workflows, along with a partner who knows how to build them.





How you can adapt

Top fund managers succeed because they treat loan administration as a value driver, not an afterthought. They invest in automated systems, expert teams and integrated technology that adapts to their needs and scales when they do.

How can you improve your loan administration processes?



Choose the right technology

- Use purpose-built software platforms that offer real-time dashboards, automated workflows and an integrated source of truth
- Prioritise audit-ready transparency
- Leverage automation to reduce manual effort
- Ensure your software supports:
 - Cloud-based architecture
 - Real-time report generation (not manual consolidation)
 - Custom reporting and complex deal structures



Improve settlement processes

- Automated reconciliation and exception management
- Real-time alerts for pending or delayed settlements
- Smooth coordination between stakeholders
- Proactive dedicated settlement professionals



Partner with experts

- Choose loan administrators with:
 - Deep experience in loan and credit markets
 - Understanding of complex loan transactions and credit structures
 - Familiarity with UK-specific regulatory challenges



Manage data efficiently

- Work with providers who standardise and validate borrower-submitted financials
- Use templated intake forms and automated follow-ups
- Leverage digital borrower portals, covenant dashboards and support for multi-sector portfolios



Simplify transitions

- Look for a provider who can support switching through:
 - Structured onboarding and migration plans
 - Historical data import and clean-up
 - A dedicated transition team
 - Proven experience working with similar funds and structures

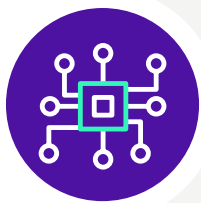
Get in touch with our **Loan Servicing experts** today to talk about your loan administration needs.



What best-in-class loan administration looks like

The strategies we outlined in Part 2 aren't mere theory; some of the most successful funds in the UK and beyond have already put them into practice. These managers have a loan administration partner who delivers not only the right tools, but the experience and execution to make them work.

At IQ-EQ, we combine extensive loan administration expertise with purpose-built technology to deliver our clients a strategic advantage. We support funds ranging from lean private debt teams to high-volume CLOs, helping to eliminate bottlenecks, reduce risk and scale operations with confidence.



Our technology stack represents the latest in purpose-built FinTech and our team of loan specialists brings decades of experience navigating complex loan structures, high-stakes reconciliations and sensitive transitions. We utilise **ClearPar** for all loan settlement tasks and with our strategic alliance partner **Allvue**, we provide an enhanced service offering combining Allvue's cutting edge platform with our in-depth technical understanding and proven track record in credit, debt and loan services.

As your service provider, we pride ourselves on being a strategic partner focused on operational precision to deliver long-term performance.

Case study: Enabling growth without system disruption

A leading European private debt manager with over \$10bn in AUM faced a growth challenge: their back office couldn't scale to match their ambitions, but they were locked into existing software contracts and wanted to avoid costly migrations.

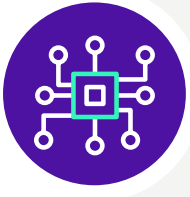
We provided a seamless solution by:

- Creating a virtual extension of their back office
- Working directly within their existing Investran and Allvue systems
- Deploying specialised teams across London and Dublin
- Starting with non-core entities and gradually expanding to loan servicing

The result

The client maintained system continuity while gaining operational scale and expertise. Their team now focuses on core strategic activities while we handle the operational complexity, improving workflows and enhancing system utilisation through our specialised knowledge.

What sets us apart



Integrated technology

Allvue provides real-time data, end-to-end automation and customisable reporting, eliminating the need for spreadsheets and batch updates.



Industry-specific expertise

Our teams have spent decades working in loan and credit markets. We know the structures, the risks and the realities.



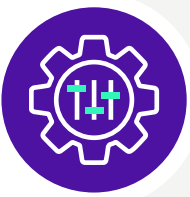
End-to-end transparency

From onboarding to settlement, our clients benefit from a single source of truth, clear data trails and full visibility into loan status.



Scalability

Whether you're managing a handful of loans or scaling across markets and structures, our best-in-class loan administration services are built to flex with you.



Operational confidence

Our clients spend less time on operational pain points and more time making strategic investment decisions that drive value.

Ready to level up your loan administration?

Contact our team to learn how we can help you reduce risk, boost efficiency, and scale your loan operations with confidence.

Get in touch with [our team of loan servicing experts](#) today.



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