

Agile Banking Solution

Creating a Future-Ready and Frictionless Banking Experience with Actionable Intelligence

SOLUTION



Get Essential Data to Ventures+ Without Data Entry

Business owners expect financial institutions to provide a fast, streamlined, automated, and interactive loan process. Banks must digitally transform highly manual processes to provide businesses with these types of interactions and stay competitive. AI Foundry brings an end-to-end automated approach to loan management from ingesting required loan documents to processing and closing efficiently creating the digital one office for superior customer service, and significant savings of both time and money.

The Challenge

Small businesses are the lifeblood of the U.S. economy. The 30.2 million small businesses in the U.S. employ nearly half (47.5%) of all employees¹. They create about two out of every three new jobs in the U.S. each year¹. And small businesses are increasingly healthy and optimistic about their future. The Federal Reserve's 2017 Small Business Credit Survey concurs that small businesses are healthy, with 72% of small businesses saying they expect revenues to increase within the next 12 months.

For small businesses to continue to grow they will need capital, and they often struggle to secure what they need. Financial institutions have been hesitant to respond to small business lending needs as lending has been flat and remains 16% below its 2008 peak per the FDIC. Alternatively, online lenders are filling the gap and have doubled their outstanding portfolio balance every year since the mid-2000s². But financial institutions are still the first-place small business lenders turn to; almost half of small businesses have applied for a loan at large banks (48%) and small banks (47%) compared to only 24% of small business that applied for credit at an online lender². But that may be changing as online lenders like Kabbage, OnDeck, Fundera and others approve loans quickly and transparently with digital tools to streamline the process and keep customers up to date. McKinsey warns that financial institutions may not be the first-place small businesses turn to in the future. They predict that if financial institutions do not move quickly to engage with small businesses digitally, they risk losing as much as 60% of their overall profits to fintech disrupters over the next decade³.

The small business lending process at most financial institutions is highly manual, resource-intensive, costly, and prone to errors. The key to small business lending is to use technology to automate and streamline the end-to-end lending process. This will result in lower operational costs, decrease the time to funded loans, increase customer loyalty, and allow for a lucrative business with unlimited growth potential.

continued

“If banks do not move quickly to engage with small and mid-size businesses digitally, they risk losing as much as 60 percent of their overall profits to fintech attackers over the next decade...”

— Don Jarrett, SVP-National Process Manager, Certainty Home Loans

Agile Banking™

The Solution

AI Foundry, leverages the latest artificial intelligence and user-guided machine learning capabilities to help small business lenders maximize the value of their digital data to improve their overall business outcomes. Making the data actionable so that lenders can use it to transform business processes and operations, offer new products and services, provide better customer service, and save costs, while differentiating themselves from their competitors is the goal for organizations both large and small. AI Foundry helps lenders transform their business operations in a “truly digital” fashion by converting their data into actionable business intelligence.

When a bank or lender deploys the AI Foundry solution during the small business lending process, there is significant enhancements to both the borrower experience and in the automation of the back-office processes. For borrowers, a customer portal allows them to see the status of their loan, submit additional or missing documents, and communicate with loan processing staff in a modern way. Borrowers who have an existing relationship with the lender no longer experience disparate data in the loan application process as all data is collected and validated early in the process. Any incorrect information is flagged so that the information is corrected even before the loan is submitted. Doing it right the first time streamlines the entire process and provides a great customer experience.

In turn, this increases customer interaction, satisfaction, and loyalty; which allows lenders to differentiate themselves from the competition.

In the back office, there often is a reduction in the amount of human involvement required for paper-based processes; only needing human review in an as needed basis. The data is extracted from the documents, automatically populating the system of record. By automating the small business lenders back-office lenders can realize significant overall cost savings.

AI Foundry specializes in combining the best possible technology and data intelligence to solve a specific customer problem and digitally transform their end-to-end business processes.

Agile Banking Features

The Agile Mortgages solution transforms customers’ highly manual processes and provides the following benefits:

Audit First™

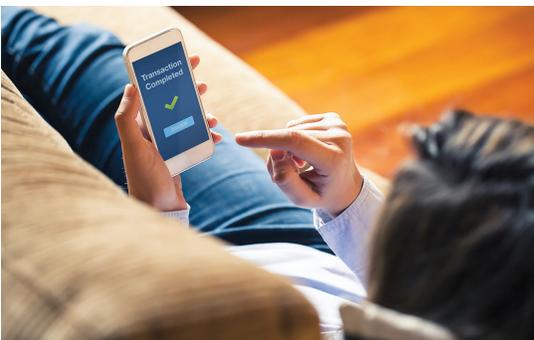
- Achieve continual compliance by reviewing “in-flight” loans to find errors early in the process saving significant time and money.
- Rules are regularly updated to reflect new rules and regulations that are issued removing the review burden from internal teams and ensuring organizations stay in compliance.

Third Party Integrations

- A seamless integration with your existing lending platform offers a complete end-to-end solution. Individual business rules are processed against loan documents and data is automatically extracted and synced.
- Eliminates the manual rekeying of data and errors, and improves efficiency of loan officers and underwriters while providing high confidence that loan data matches source documents.
- Available for Ventures+ and other LOS systems.

Intuitive UI

- Enables loan information to be easily accessible and available through the lifecycle of the loan package.
- Side by side comparison viewer enables a reduction of time spent on “stare and compare”.
- Document history is included for audit purposes and version control.
- Customizable dashboards and reports with actionable insights on individual loan processors, and loans themselves.



Return on Investment

Enhanced Customer Experience

Timely, efficient, and transparent loan processing keeps the borrower informed throughout the lifecycle of loan resulting in customer retention, repeat business and loyalty.

Reduced Manual Review

Reducing manual review of documents such as income statements, tax returns, W2 and/or 1099 forms, inventory statements, equipment rentals and more.

Improved Accuracy

Iterative, user-guided machine learning improves document classification and data extraction. As a result, loan processors are needed a fraction of the time to validate data.

Continual Compliance

Errors are identified as they happen and rectified early in the process allowing customers to significantly lower costs, avoid fines, and save money due to error.

Engage in “High Touch” Activities

With improved data accuracy and a reduction in time spent on “stare and compare” loan processing staff can refocus on “high touch” customer-facing activities and drive new business.

Improved Loan Decisioning

Loan due diligence is greatly improved as purchasing decisions are based upon classify and extract rates as well as other valuable data points.

Reduced Costs

By automating a higher percentage of manual document handling activities loan origination costs and manual labor costs can be reduced.

Rapid ROI

Customers can see a return on investment in months not years because of end-to-end automation and savings throughout the loan lifecycle.

“It is critical for banks to modernize the small business lending process now to remain competitive. It means automating processes that are typically done manually and leveraging workflow solutions that speed the process. And most of all, it means investing in the customer experience to make it easy, fast, transparent, and adapted to the way small businesses operate.”

– Moody Analytics, “How Banks Can Raise Their Game in Small Business Lending” June 2016

Footnotes:

1. US Small Business Administration Office of Advocacy. “2018 Small Business Profile”. 2018. <https://www.sba.gov/sites/default/files/advocacy/2018-Small-Business-Profiles-US.pdf>
2. Barry, Christine, and David O’Connell. “Why Small Businesses Embrace Alternative Lenders and What Banks Can Do About It”. Aites Group. March, 2016. <https://www.aitegroup.com/report/why-small-businesses-embrace-alternative-lenders-and-what-banks-can-do-about-it>
3. McKinsey & Company. “Retail Banking Insights: Reinventing Small and Medium-Size Business Banking in the U.S.”. April 2018.
4. American Banker and National Mortgage News. “Take Advantage of Expanded Small Business Lending Opportunities with Agile Solutions.” 2018.

About AI Foundry

AI Foundry’s Agile Mortgages Solution transforms banking and lending operations by utilizing technology, data and people in new, more efficient processes. Our solution creates a “Digital One Office” integrating both the front- and back office and reducing loan processing times by 50%. Organizations can adapt to changing market conditions, manage compliance and drive bottom-line improvements. © 2019 AI Foundry, a Kodak Alaris business unit