

10-POINT CHECKLIST FOR CHOOSING YOUR NEW LOAN ORIGINATION SOFTWARE

Companies spend months negotiating with LOS vendors to choose the infrastructure for their lending operations. But same as when picking a car, if you know what to look for, weeding out vendors who'll turn out incompatible is immensely easier.

Initial SaaS filtering criteria

There are many loan origination systems. And most of them don't meet the lender's most basic Software-as-a Service (SaaS) requirements.

So, before we go into the questions specific to loan origination solutions, here are the general quality assurance criteria to consider with any such core technology choice.

Pricing structure - While this applies to all SaaS, in finance many vendors charge extra depending on user count, portfolio growth, hidden fees, and contract length.

Cybersecurity - A fancy user interface and quick load speed is good as long as your (and your client's) security isn't compromised. Ensuring best practices in cybersecurity is paramount.

Regular updates - SaaS solutions need to update several times a year to align with upcoming trends, industry standards and shifts. It's the only way to address business needs long-term while maintaining interoperability with the newest technology.

Support & training - Your LOS vendor needs to provide efficient training and quick tech support to ensure you're seen as a reliable finance provider.

Track record - don't hesitate to ask for direct references, not to mention relevant success stories to gain valuable business intel and see how the LOS vendor treats their customers.

These criteria are crucial, but it takes a little more to navigate the loan origination software waters.

Loan origination software selection must-haves

1. Loan application flow configurability

A hard-coded, rigid application flow won't let you capture market opportunities. Financing landscape changes and lenders need to stay agile to address borrowers' challenges faster and better than rivals.

With TurnKey Lender you can quickly update the loan application steps to collect new required data, get legal e-signatures, manage document templates, include guarantors, secured assets evaluation and more.

2. Real-time application processing

Borrowers expect to get approved for a loan as quickly as they checkout in their online store. It's impossible with manual application processing. This is why all of scoring and loan decisioning heavy lifting needs to be done on autopilot.

TurnKey Lender processes scoring data real-time with award-winning Decision Engine offering in-depth control over scoring criteria and decision rules. This offers borrowers instant clarity, reduces drop-offs, and amplifies satisfaction as an edge in a competitive market.

3. Scalability to handle growing portfolios

Few things hamper growth more than a frozen loading screen, repeated human error, and data losses that happen when a loan origination system doesn't scale alongside your company. Make sure your vendor can handle surging scoring needs and transaction volumes while keeping the load off staff.

TurnKey Lender's LOS is used by B2C and B2B lenders globally to work with ~100 million borrowers. With over 90% of all lending processes completely automated, human error and credit risk and minimized while ensuring speed.

4. Innovative credit product development

Stagnancy in a fast-evolving credit market can be fatal. An inflexible LOS system eats up your time and disables innovation which requires speed in rolling out new offers and adjusting to borrower's needs.

TurnKey Lender allows creditors to be as dynamic as they need. It takes minutes to create, test and launch a new, fully automated credit product which meets your exact requirements in terms of fees, schedule, terms, regions, and other criteria.

5. Credit scoring accuracy and flexibility

Simplistic credit scoring directly cuts the return on every dollar you invest. Lenders need an LOS that takes into account all relevant up-to-date borrower data to make better loan decisions faster.

TurnKey Lender's award-winning Decision Engine uses AI to sort through millions of data points instantly and give you an automatic decision or a recommendation you can rely on. This and the elimination of operational bottlenecks lets you reach a wider audience and offer borrowers better terms than competitors.

6. Keeping up with industry and regulation

Outdated SaaS and legacy in-house solutions drain a business with inefficiencies, incompatibility with new tech, human error and poor experience. Make sure your vendor keeps improving your infrastructure while you focus on your portfolio growth.

Regular platform updates incorporate best practices and findings from B2B and B2C lending operations using TurnKey Lender in 50+ countries.

7. Supporting digital credit beyond loan origination

Fragmented lending solutions lead to errors, higher costs, and inconsistencies in borrower experience. It's important that your LOS vendor lets you upgrade the system with new features and integrations out of the box.

TurnKey Lender LOS is a part of end-to-end infrastructure that covers all elements of consumer and commercial credit. From loan processing and disbursement to servicing, debt collection auditing, and reporting – TurnKey Lender does it all.

8. Reliable uptime

Reputation losses withholding, the average cost of downtime for businesses is \$5,600 per minute. This means that even a short outage can have a significant financial impact.

TurnKey Lender reliably delivers a 99%+ uptime, ensuring a seamless cloud-based experience, keeping services online and dependable, no matter where operations are based.

9. Borrower's self-management capacity

Borrowers hate being confused about anything concerning their finances. Intuitive user interface and clear communication make all the difference to the person applying for finance.

Borrower gets a personalized online loan application process with an instant decision. They can pick their application up and all their lending interactions take place in an intuitive borrower portal.

10. Time-to-market for initial release and updates

You need to be able launch credit products, add integrations, and adjust application flows quickly and autonomously. This disqualifies most LOS providers who take months to deliver requested updates due to the software complexities.

TurnKey Lender comes with pre-configured location- and industry-specific credit calculations, workplaces, and integrations to ensure 3-5 faster time-to-market. Once in place, most lenders start to handle all aspects of credit on their own, but TurnKey Lender Team is constantly at your disposal for any additional features configuration.

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