

# LOAN ORIGINATION OVERVIEW



# Loan origination made simple – with TurnKey Lender

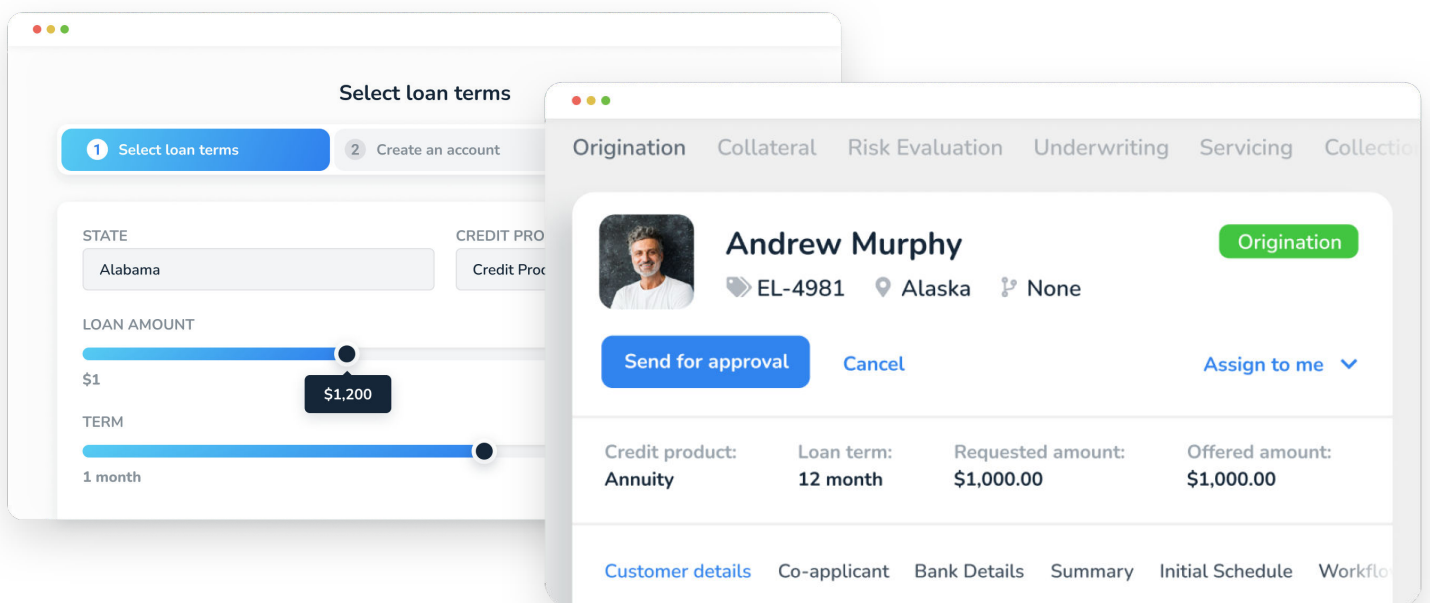
Loan origination is what makes or breaks a lending business. It is also the most challenging part of credit because it's where you can avoid most of the risk by doing most of the analysis. The only way to learn about a borrower and evaluate the risks of giving them money used to be having branches in every little town, originators and underwriters working with borrowers in well-ventilated cubicles.

The exuberant cost of maintaining such an operation is exactly why for the longest time only large-scale financial institutions could afford to offer consumer, residential, and commercial loans at scale and locally.

But as commerce was changed by digital platforms like Shopify, WooCommerce or Amazon, now lending is getting democratized. With providers like TurnKey Lender, the credit industry entry barrier is lower than it has ever been, and anyone can extend credit to their borrowers or clients without extensive overhead.

TurnKey Lender is an industry-leading provider of intelligent loan origination software (LOS) that can be tailored to your business logic and will automate every part of loan origination, underwriting, risk management, and borrower evaluation.

The work that used to require hundreds upon hundreds of work hours can now be done on autopilot with minimal supervision of a few people in intuitive interfaces who are backed by machine learning algorithms that keep on reducing risks the more you lend.



## How does loan origination work online?

Borrowers have come to expect a certain level of digital experience, and financial institutions have long been some of the slowest to respond to the new usability and design trends. Mostly because of the tons of outdated legacy code that is powering conventional lending businesses.

If you're running a digital lending platform of your own based on proprietary tech, it's simply unsustainable. With each new credit product and each new request, the codebase will grow, with each employee that quits, the knowledge of the system will get lost, and the bugs will keep on crawling out of every corner. Therefore, when you open an account with a big bank, more often than not their app and website look extremely antiquated and unintuitive. They are simply overwhelmed.

That is why a SaaS (software as a service) model for loan origination software is by far the optimal choice for all types of lenders entering the digital market. It means that a team of developers, analysts, designers, testers, and managers is constantly working on analyzing the digital market trends, looking for optimal solutions, developing new features, and updating existing functionality and design. When a lender tries to do that in-house, they practically must run a separate software business just to support their main business. It doesn't work that way.

### The optimal digital loan origination process as of now is as follows:

- 1** A borrower comes to your website from organic search, an ad or an email and selects the loan terms and credit product that work for them. It can be a consumer loan, an SME loan, a lease, a credit line, etc.
- 2** The borrower goes through standard steps, registering in your lending platform. They fill out the loan application form which is configured from your admin panel to gather all the needed info.
- 3** The application reflects the local regulations on the data you need to collect and analyze as a lender for AML and KYC. Of course, rules governing loan origination differ for each jurisdiction but the right LOS will grant you enough configuration freedom to make your regulator happy.
- 4** As soon as the borrower submits the loan application, they are redirected to their Borrower Portal while your Loan Origination Software kicks into a new gear and starts the borrower evaluation.

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While some traditional lenders still take weeks to underwrite and approve a loan, your platform does it in seconds. Through integrations with a credit bureau, bank statement data providers, and other data sources it is pulling the information needed for scoring and running it through the decision rules and the scoring models (which are also configured to reflect your risk criteria, business logic, and preferences).

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Before the borrower can make a coffee, they get an email with an automated loan decision and a loan offer they can e-sign in their Borrower Portal.

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If an application requires additional review – your staff sees it in their workplaces and can request additional documents or make a manual decision.

8

Once the loan agreement is e-signed by the borrower, their application moves to servicing and money is disbursed to their bank account.

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That's it, the origination of the loan is done. Of course, in some business models there will be a credit committee, a pre-approval, or a couple other steps. And TurnKey Lender can handle that just fine. But on a high level, this is what loan origination online looks like.

When you're considering a loan origination SaaS for your business, keep in mind the following elements which are often a must-have.





## Loan origination with Turnkey Lender Standard

TurnKey Lender Standard is the most intelligent and easy-to-use software that can automate the entire lending process just as well as its specific parts. And LOS is the most powerful and the most important part of that system that includes the amount of proprietary artificial intelligence and configuration freedom that often shocks clients. In a good way.

The Standard Loan Origination Software by TurnKey Lender is an iterative SaaS which is regularly updated. It's easy to deploy and use both for the staff and the borrowers, the feature set is based on the most common workflows, use cases and requests we've received from lenders in 50+ countries. It's a powerful automation platform that would've been impossible to create just a few years back, no matter how much money you were willing to spend. Now TurnKey Lender makes this bank-grade intelligence and functionality available to all lenders democratizing access to finance, eliminating human error, lowering overhead and credit risks, helping you serve your clients best, and allowing to compete with any other creditor on a level playing field.

The TurnKey Lender Loan Origination Software includes the functionality for loan application creation, terms and schedule management, as well as bank and contact details collection. The fully configurable loan application process allows for creation of custom application flows, dictionaries, and loan offers, as well as supports disclaimers and document templates management.

As is necessary for the lending space, loan origination in TurnKey Lender ties in natively with Underwriting and Credit Decisions, transferring data between the workplaces and other employees. This allows for one to make accurate loan decisions powered by machine learning and deep neural networks processing enormous amounts of data.

## AI-Driven Decision Engine

TurnKey Lender's award-winning Decision Engine uses self-learning algorithms and deep neural networks to process both alternative and conventional risk assessment data and make a fully automatic loan decision or to provide an underwriting specialist with the in-depth analysis results at a glance. This allows lenders to streamline and fully automate their credit processing and achieve almost instant loan decisions.

The platform comes with pre-configured scoring models that best reflect the local and business vertical requirements and decision rules which allow lenders to make automatic loan decisions be it approval, rejection, or further data gathering. At the same time, lenders can configure their own scoring model and edit decision rules to reflect upon individual credit policies.

The data TurnKey Lender clients most commonly use in borrower evaluation which is readily available in the Decision Engine include:

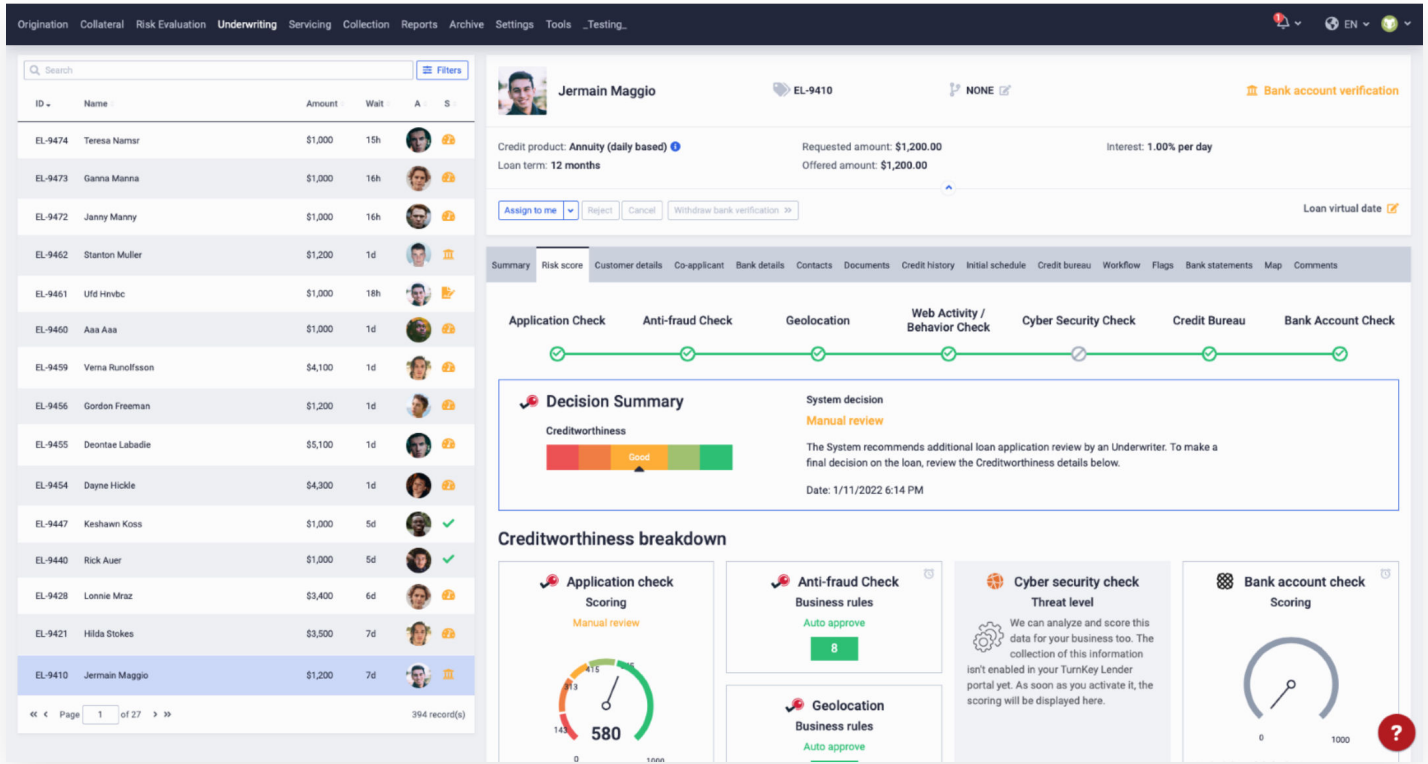
01 <b>Loan Application</b>	02 <b>Credit Bureau Data</b>	03 <b>Anti-fraud Checks</b>
04 <b>Bank Statement Scoring</b>	05 <b>Cyber Security Check</b>	06 <b>Blacklists Check</b>
07 <b>Geolocation Check</b>	08 <b>Web Activity/ behavior Check</b>	

With traditional credit scoring methods becoming insufficient, TurnKey Lender pioneers' application of new approaches to borrower evaluation like **Bank Statement Scoring** and **Psychometrics**.

## Underwriting

The Underwriting Workspace of TurnKey Lender includes functionality for in-depth risk scoring, borrower evaluation, decision rules checks, loan agreement generation, loan offer management, and more. This workplace is designed in an intuitive way to present the maximum amount of credit scoring data on a single screen and to allow underwriters to make informed loan decisions in a matter of seconds.

TurnKey Lender then aggregates all the data your instance has access to internally and through integrations to come up with a single creditworthiness metric that lenders can see at the very top of their workspace. Applications can be assigned to employees, moved back to Origination, commented on, and analyzed in every possible detail by the employee.

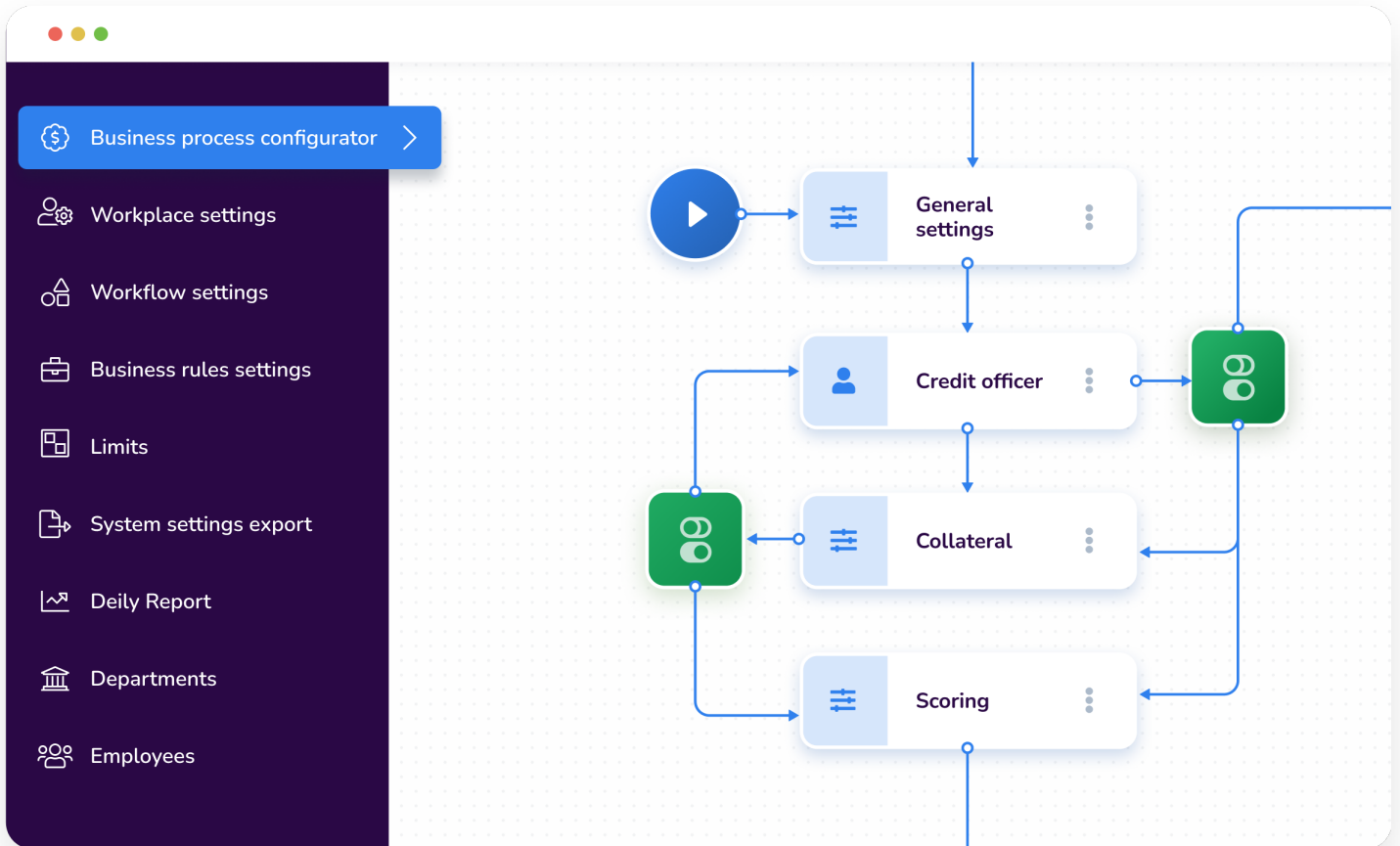


The screenshot displays the TurnKey Lender Enterprise interface. On the left is a table of loan applications with columns for ID, Name, Amount, Wait, and status. The application for Jermain Maggio (ID: EL-9410) is highlighted. The main panel shows details for this application, including a credit product of 'Annuity (daily based)', a requested amount of \$1,200.00, and a loan term of 12 months. A progress bar at the top of the details panel shows the status of various checks: Application Check, Anti-fraud Check, Geolocation, Web Activity / Behavior Check, Cyber Security Check, Credit Bureau, and Bank Account Check. A 'Decision Summary' section indicates a 'Manual review' system decision with a creditworthiness score of 580. Below this, a 'Creditworthiness breakdown' shows individual check results: Application Check (Manual review, 580), Anti-fraud Check (Auto approve, 8), Geolocation (Auto approve), and Bank account check (Scoring).

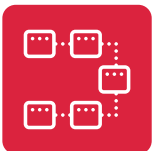
## Loan origination with Turnkey Lender Enterprise

The mathematical majority of lenders have similar processes and Standard will suit their needs perfectly. But the truth is that most credit funds and most borrowers are served by large-scale lenders with complex and unique business logics, custom credit products and one-of-a-kind decision flows. This is what Loan Origination powered by TurnKey Lender Enterprise gets you. With it, everything described in the Standard section above holds true, but Enterprise can be enhanced, reconfigured, and adjusted to meet even the most complex requirements.

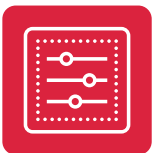
TurnKey Lender Enterprise is a platform that consists of proprietary no-code tools which TurnKey Lender team will use to build a unique loan origination, underwriting or credit scoring solution for your business. Not only will it be better than what any other software provider can create for you based on your business requirements to a dot. It will also be configured and deployed faster, granting you the best time-to-market.



TurnKey Lender Enterprise consists of the following tools which are used to configure loan origination processes of any scale and complexity.



**Flow Builder** allows for building bank-grade business and decisioning logic with a drag-and-drop editor that applies approved changes instantly without the need to write a single line of code.



**System Configurator** allows commercial lenders to integrate with any third-party solution, service, data providers in a meaningful way with just a few clicks.



**Decision Engine** - the proprietary AI-driven Decision Engine instantly collects all the data necessary for business credit scoring which allows businesses to make an accurate credit decision in less than a second.





**System Administrator** - is used to manage user accounts, roles, and access credentials. The interface allows creating, editing, and blocking/unblocking user accounts, granting access rights, and monitoring user activities through system logs. As a commercial lender, you have full control over the data each of the employees, branches, vendors, or borrower has access to.



**FlexGUI** - a powerful tool used to design layouts for all web-based workplaces, forms, and reports. This tool enables complete customization of the TurnKey Lender User Interface to exactly match the requirements of our clients. FlexGUI uses drag and drop functionality, fully integrated with other development tools that allows layouts designed in FlexGUI to be easily integrated with workflows and workplaces.

[Learn more TurnKey Lender Enterprise and book an intro call today.](#)

## Standard or Enterprise - which is better for which business type



### Traditional lenders

Banks and credit unions are likely to have unique and complex business logics and credit products which require custom solutions and approaches to automation. This is why, this kind of client goes for TurnKey Lender Enterprise.





## Embedded lenders

Retailers, equipment manufacturers, telecoms, medical professionals, auto dealers, and other product and service providers may be a perfect fit for both Standard and Enterprise products. It depends fully on the scale of their operation and the role the lending program will play in the business structure. If it's just a simple consumer finance play – Standard will work like a charm. At the same time, if you're looking to offer deeply configured buy now pay later programs with custom decision logic and integrations – it's likely Enterprise will serve you best.



## Alternative lenders

Most micro lenders, digital creditors, P2P lender and other alternative consumer finance providers tend to use the Standard solution of TurnKey Lender since they commonly look for a recognizable logic and a simple business flow while maintaining TurnKey Lender's bank-grade intelligence.

Are you ready to start your own success story with TurnKey Lender or do you have any loan origination questions left?

Get in touch with our team and let's start automating your lending processes.

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