INCREASING VALUE AND ALLEVIATING RISK ACROSS THE LOAN LIFECYCLE

Despite growing competition, the lending industry remains largely reliant on manual processes and legacy systems that require hard-coded logic. This approach lacks efficiency, is susceptible to human error and prevents lenders from reaping the benefits of modern AI and automation solutions, such as machine learning predictions and automated decisions and processes.

Hard-coded logic is risky as it requires developer time and effort for new rules or calculation changes. There is also little to no transparency into rules buried in code, preventing the business from catching errors or knowing which rules are active. This lack of transparency can also present issues with ensuring compliance to Dodd-Frank, Regulation Z, the Real Estate Settlement Procedures Act (RESPA), or other regulations which can lead to costly fees and penalties.

While traditional machine learning solutions provide valuable predictions related to loan applications and approvals, most lack transparency into the factors that determined the outcome. This introduces risk as it's nearly impossible to ensure models are free from harmful bias. There's a better way.

How Can AI-Powered Automation Provide Value Across the Loan Lifecycle?

ORIGINATION

Loan origination is full of eligibility and documentation decisions and processes that can easily be automated. Machine learning predictions allow lenders to gauge the credit worthiness of a borrower with far greater accuracy than ever before. Additionally, online self-service tools powered by a decision platform provide flexibility and convenience by guiding potential customers through calculators or the application process itself.

PROCESSING

Decisions related to income, loan-to-debt ratio, credit rating and more are based on numerous complex factors and calculations. They can also change due to evolving market conditions or regulations. A decision platform makes it easy to manage loan eligibility rules and terms by putting logic changes in the hands of subject matter experts. Automating manual processes and workflows ensures employees can focus on the most high-value initiatives, not tedious manual tasks.

UNDERWRITING

Underwriters consider factors related to credit reputation, capacity and collateral along with many others as part of the loan underwriting process. Automating decisions and processes related to underwriting ensures accuracy, promotes consistency across applicants and ensures compliance with government requirements. Last but not least, decision and process automation expedite the entire loan process.

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CLOSING

Automating the rules and workflows around routing of closing documents can expedite the closing process and ensure accuracy in the delivery of documents. Additionally, closing disclosure rules can vary by state or region and a decision platform that serves as a single source of truth for logic can simplify compliance with varying requirements.

SERVICING

From the time funds are dispersed until a loan is paid off, AI-powered automation can automate many traditionally manual workflows and decisions. For example, automating business rules and processes for statement delivery and payment status allows personnel to focus on the highest value initiatives that support the growth of the business.

CROSS-SELL/UPSELL

Customers want to be aware of opportunities for improving their finances or for reducing the time that they spend managing their finances. Machine learning predictions can identify which customers are most likely to respond favorably to a given upsell offer and decision automation serves up the offer most likely to convert to those targets.

Savvy lenders are automating as much of the loan lifecycle as possible with decision and process automation. Centralizing logic inside a decision platform makes it easy to see the rules in use—and speeds up the process of making changes or additions by alleviating the need for code modifications.

Additionally, automating traditionally manual loan workflows alleviates the risk of human error and empowers employees to focus on other initiatives that add more value to the business.

InRule Technology®: Trusted by Lenders Around the World

Lenders around the world rely on AI-powered automation from InRule Technology® to automate decisions, processes and workflows in order to delight customers, drive business growth and ensure compliance with regulations.

Our suite of explainable machine learning modeling engines provides the "why" behind every prediction, allowing organizations to leverage the power of machine learning predictions with confidence.

In fact, according to Home Mortgage Disclosure Act (HMDA) data, more than half of mortgages in the U.S. are powered by InRule Technology.

Since 2002, InRule Technology has helped make automation accessible across the enterprise, empowering technical and non-technical team members to enhance decisions and processes that support the lending lifecycle, all without the need for code modifications.

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