

3 Reasons to Rethink Loan Origination Systems

How Automating Loan Applications Grows Your Business

Are you seeking more loan applications and growth? It's a rhetorical question, we know. What financial institution wouldn't want that? Whether you're a credit union or small bank, you want to thrive while continuing to offer an appealing alternative to larger corporations. Your customers feel good about working with a local institution and appreciate the personal connection that you offer. It's what keeps them coming back. But, it's a competitive world. It's a mobile world. It's a world that expects speed. And it is incumbent upon all financial institutions to keep up with competition and make the loan application process easy, smooth and fast.

There are two major advantages to automating your loan application process. First is the opportunity borrowers have to apply from anywhere, on any device. People of all ages (especially the millennial generation) expect to use technology in every aspect of their lives - and loan applications are no different. The second advantage of loan application automation is streamlining the internal process for loan officers to decision and process the loan efficiently. Other factors to consider are: compliance, volume of applications, training and more.

Top Advantages of Automation

- Mobility
- Streamlined Processing
- Better Compliance
- Increased Volume Efficiency
- Less Training Required

Limitations of a Core System LOS or Manual Band-Aid Approach

Is your organization currently utilizing a loan origination system? Was your current LOS selected because it simply was an extension of your core system? Does it work well for you? Some smaller, emerging growth financial institutions may not think that automation technology is a fit. It appears expensive or can't be justified by existing volume. They have legacy technology but find it difficult to make the case to change. But, things are changing and automation is well within reach. Before we go there, however, let's look at a few symptoms you may be experiencing that indicate it is time to revisit your LOS strategy.

Symptoms

1. Unable to offer end-to-end mobile loan applications (or the experience is poor)
2. Limitations to handle application volume efficiently (or desired application volume)
3. Compliance is difficult or at risk

Re-Evaluating Loan Origination Technology

Now, let's flip those symptoms and address why it is time to evaluate the impact of technology as part of the overall strategy.

1) Mobile loan applications increase engagement and loan applications

A surprising number of smaller, regional institutions still do not offer a relevant, consumer-friendly mobile lending experience. The key is to find a solution that is easy to deploy and brand as your own with limited technology and IT support. In the first three months of deploying a mobile loan application, [one institution grew loan apps by 89%](#) with limited marketing about the new mobile service. Is your institution leaving money on the table without employing a **consumer-friendly** mobile loan application? The question is – how good is what you have now? Are you force fitting the core system technology? If you have an LOS, how many systems do your lenders need to tap into?

2) More applications require the ability to manage more volume

Credit unions and community banking are about people. But it is even better when people can leverage great technology to automate the right parts of the process. What if the front end of loan origination could be more automated for a better consumer experience, with engagement at the right time (as needed) with the loan officer? A new LOS can make the experience for the borrower and the lender more streamlined with the precise information needed at the right time during the process. It makes training easier, and even if there is some manual process behind the scenes, the organization can handle more volume and close loans faster.

3) Compliance requires less human intervention

To be in compliance with today's regulations requires consistent decisioning and exception tracking with audit-ready information available in systems. Even with the best of intentions, employees make decisions outside of compliance guidelines. A modern LOS can put the institution in a better position to reduce the risk of non-compliance. What part of the process needs better compliance?

LOS Technology Benefits without the Technology Burdens

The big difference when considering a subscription-based LOS is that it is a less expensive, less disruptive and less burdensome undertaking than legacy systems. Mainstream cloud-computing has made technology more accessible and easier for businesses and consumers to adopt. An implementation can take less than a week as opposed to months of work. Most importantly, lending and marketing managers find that the technology is easy enough for them to implement and configure requiring limited to no IT support. Another key is to find technology that adapts to your processes instead of the other way around; although this is a great time to look at opportunities to make it better.

A Lender-Built Solution for Loan Growth

FinanceGenius is not new to lending. In fact, the company was founded by lenders, for lenders. We have the advantage of building a mobile-friendly, simple system that takes advantage of the redundancy, security and technology benefits of powerful cloud-based computing. It is hosted on Amazon AWS, a mainstream, business-class platform, that is the industry leader in cloud deployments. Read a [case study about Webster First Federal Credit Union](#) which highlights the flexibility and benefits they are experiencing in terms of loan growth that they directly attribute to the investment. Lastly, seek partners who are incented to work closely with you for a win-win to serve your consumers and members – customer service is paramount.

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About FinanceGenius

FinanceGenius is a FinTech company that is committed to disrupting legacy processes in financial institutions by delivering solutions that streamline workflows for increased efficiency and profitability. Lenders that use FinanceGenius can capture and process more loans without adding more staff by improving the consumer lending process for both the borrower and the lender. The FinanceGenius Loan Origination Software suite is based on technology that is intuitive and configurable with a powerful decision engine. FinanceGenius solutions are cloud-based, subscription software as a service (SaaS) with no upfront costs, easy implementation and affordable solutions. FinanceGenius is based in Austin, Texas and more information can be found at: www.financegenius.com. FinanceGenius was founded by lenders, for lenders.