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pennApps Lending Factory (PLF)
Lending Simplified

Loan Origination
Features Overview

Is your Lending System meeting the demands of the New-age Consumer?

The lending Industry is at the cusp of a huge transformation. With digital financial services on the rise, consumer expectations are a lot to keep up with. For a bank or a financial institution, successfully managing lending systems with multiple modules including loan origination, loan management/servicing and collections, can be a very complicated endeavour with in-house legacy systems and traditional processes. Presence of multiple systems and modules raises complexities, leads to challenges and increases operational inefficiencies.

Moreover, traditional silo-based lending solutions for each the product category or line of business creates a heterogeneous application mix with varied technologies and capabilities, which often create chasms between business processes across the disparate systems. This leads to numerous hand-offs between departments or functional units resulting in-

- Higher turnaround time (TAT)
- Inconsistent information to the consumer
- Poor consumer experience
- Inability to handle complex changes due to application limitations e.g Repayment Schedules
- Workflow inefficiencies due to fragmented lending processes
- Non-compliance of norms
- Data/Process Redundancy
- Higher cost of maintainability

In the age of digital customer, with the shift to self-service channels and a new normal of 24/7 availability of service, the question confronting financial institutions is how best to transform their lending systems for delivering seamless operations and frictionless customer experiences.

pennApps Lending Factory
Lending Simplified

pennApps Lending Factory (PLF) is an integrated lending platform, encompassing the end-to-end lending lifecycle, that can future-proof your business and its operations. A future-ready, single-platform-based solution, the product leverages a unique concept of functional factories and business process driven execution engines to deliver the required modularity, flexibility and componentisation.

Lending Factory effectively integrates and extends the digital ecosystem by embracing diverse and dynamic needs to deliver superior customer experience from loan origination to receipt posting of collections.

With its novel concept of business process driven execution engines with multitude of functional factories, Lending Factory allows a bank/financial services company to define, deploy and manage the business processes without any dependency on vendor or internal technology teams. Business users can define processes, users, departments and products with minimal technical expertise leveraging the built in controls and history tracking capability to safely implement changes.

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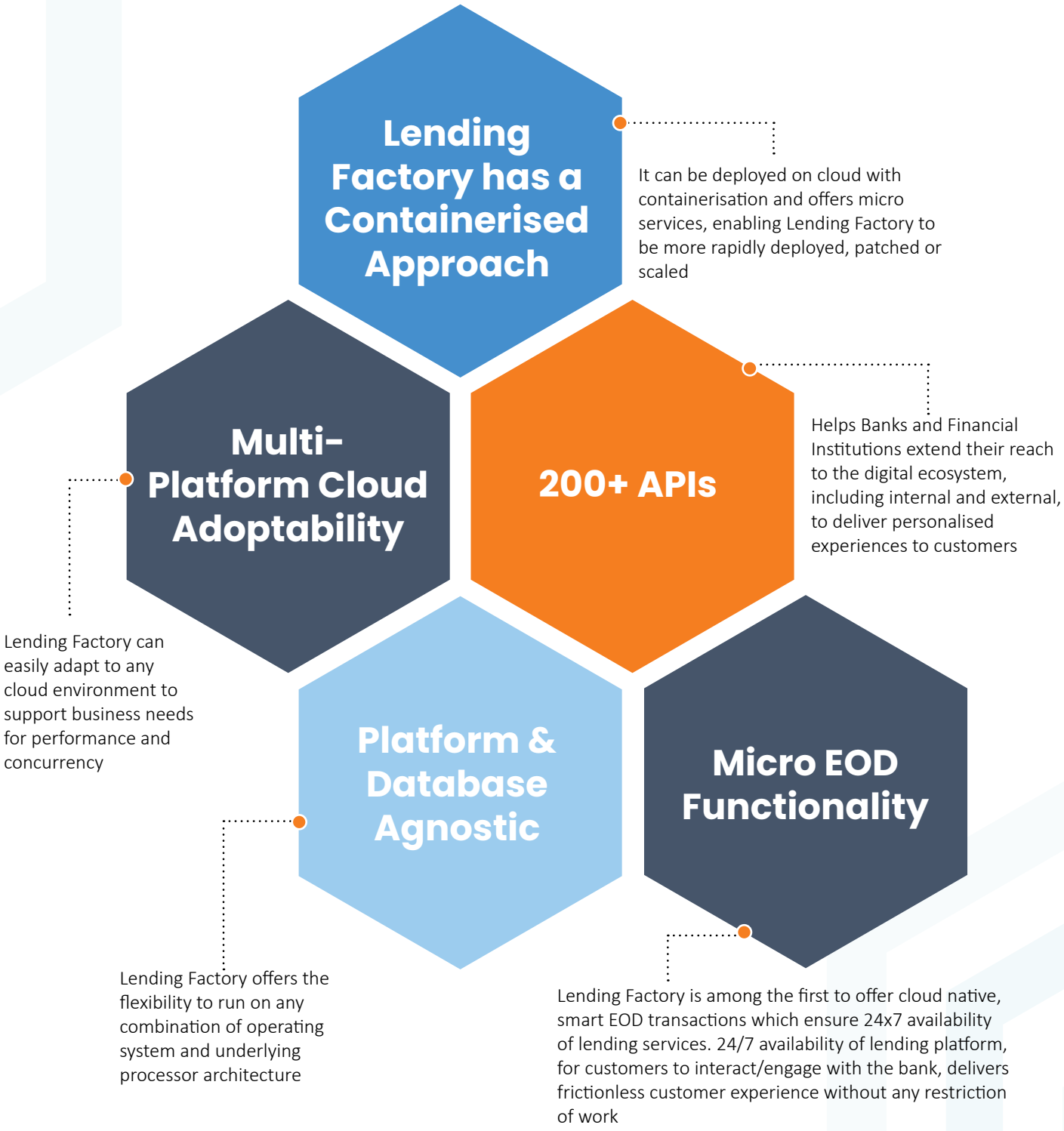
Why Lending Factory?

- One Solution for all your loan product needs across business lines including Personal loans, Consumer, Auto, SME, Commercial, etc.
- Deliver superior customer experience across the loan life cycle through self-service channels, 'always on' omni-channel presence, etc.
- Drive Product Innovation with accelerated time-to-market leveraging the unique functional factories e.g Rules Factory, Solution Factory, Accounting factory & Fees & Charges Factory.
- Increase operational efficiencies by leveraging enterprise-grade workflows and best-in-class BPM capabilities.
- Adapt your operations to the dynamic needs of the business through a highly configurable lending solution with a composable architecture and technology.
- Cloud-ready technology solution, with future-proof architecture, that is agnostic to the platform, database, device and browser.

Lending Factory offers a componentised and modular solution that separates product configurations, business rules, product rules, processing rules, and accounting definitions into individual functional factories. This separation offers a high level of configurability enabling banks and financial institutions to configure the loan products as per market needs and with improved time-to-market



Modules

Lending Factory is divided into three modules namely- Loan Origination, Management & Collections. It's suitable for banks, credit unions, Non-Banking Financial Institutions (NBFC), or any other financial institutions.

Propel your Lending Performance with a Powerful and Innovative Solution

Loan Origination

Leverage our loan origination system to minimise origination costs, at the same time achieve higher compliance rates, and improve loan quality, increase efficiency and flexibility. With high configurability and minimal dependency, your consumers get faster loans.

LOS Modules

1. Configurable Customer Acquisition with dedupe check

With Lending Factory's Customer acquisition functionality, you can streamline the customer data, reduce manual interventions, automate credit management and improve turnaround time. Onboarding new customers with dedupe checks, KYC and blacklist checks help in de-cluttering the data to enhance user engagement and streamline processes.

It not only helps in eliminating redundancies by removing duplicate data blocks but saves storage, maintenance and archival costs. Lending Factory's dedupe check can plug loopholes and cut down bad loans with respect to your existing IT ecosystem.

2. What-If simulation capabilities

Simulating the repayment schedules for various loan types like Personal loans, Mortgages, Auto, Gold Loan, Consumer Durables, Over Draft, BNPL, Supply Chain Financing, Home loans, etc., as per the customer-supplied information, helps in selecting the right-fit EMI, repayment schedules and also remove bottlenecks.

3. Eligibility Checks & Scoring Models

Scoring models help you determine eligibility with the information available in the system and also provided by the customer in a loan application. It includes various customer-level attributes that estimate the risk associated with granting a loan, or rather the probability of its non-repayment from consumers.

You can determine the eligibility as the person's payment history reflects their various customer accounts, external scores, including other bank loans, accounts, past dues, foreclosures, negative remarks, etc. Lending Factory can manage deviations efficiently (such as Manual errors in processing the application, loan request for a larger sum, collateral value changes, etc.) and allows for reducing costs, avoiding redundancy, increasing overall efficiency, lowering the time taken for loan processing, and keeping credit risk under control.

4. Compliance and Complete Automation (Agreements & Contracts)

Lending Factory is flexible with changing compliance requirements and allows you to enforce these requirements systematically. Further, automation helps you provide customers and reviewers a better experience at every stage of the loan origination.

Processes like pre-qualification, application processing, underwriting, credit decisioning, quality checks and funding can be speeded up with automation. Agreements & Contracts

enables you to define agreement and contract templates as per your organisational requirements. Further, it also helps you to generate the contracts/ agreements automatically by populating the required data from the system at the defined process/workflow stage. Checklists factory under Agreements enables you to define various mandatory checks, minimum and maximum checks required, notes against checks list items, and to link them to loan types by process flow stages.

5. Accounting Factory/ Fees and Charges Factory
These features allow the systematic execution of pre-defined fees & charges at various stages, and helps in defining the accounting as per the requirement.

Fee and Charges enables you to define any number of fee & charge rules using simple to complex arithmetical formulae by loan type and for various events from disbursements to loan final/early settlements. Configurable accounting defines accounting sets for various stages of the loan processing and execution of the same with predefined priority

6. Disbursement Flexibility
Multiple disbursement modes are supported and can be configured with triggers/events workflow stages, leveraging the pre-defined accounting sets along with straight-through processing or with a required workflow process.

Split loan functionality

A split home loan is when you divide your loan into multiple parts- you could nominate a portion of the loan to have a fixed interest rate and the remainder could have a variable interest rate.

Lending Factory offers this advantage to your customers and lets the customer decide a certainty over a portion of their repayments. It benefits your customer in gaining control over payments, and also making extra repayments to pay off the loan early.

Verification

Helps in ascertaining whether the documents are error-free. Some of the loan verification types include Field Investigation, Technical verification, Internal and Legal verification etc.

Multiple options for loan verification are available in Lending Factory for flexibility and ease of operations.

Lending Factory also offers RCU (Risk Containment Unit) verification that involves verification of documents which are submitted by customer for loan processing. Depending upon the business process and policies of respective organisation, the RCU activity is carried out on a sample basis or basis the type of loan or basis customer profile etc.

Collateral Management

Collateral management forms a tightly coupled process for multiple touch points across the credit origination, fulfilment & monitoring processes. The entire process from collateral acquisition to its release is crucial for successful loan delivery.

Challenges faced by Financial Institutions due to collateral management's absence include:

- Legacy platform that constricts seamless flow
- Lack of support in variety of assets & related information
- Data quality issues
- Lack of automation
- Collateral release is not streamlined leading to manual actions

Lending Factory helps you overcome shortfalls in collateral management system by offering efficient lending operations that simplify process and deliver better quality data. Reports and documentation are streamlined to track parameters and the make the entire process a seamless one.

Tools

Lending Factory is bundled with numerous right-fit technology tool kits to support the objective of high configurability. These modules will provide the required technical framework for various business transactions. In addition, these modules enable customers to manage the configuration on their own with minimal dependence on the vendor

The solution accelerators further help our customers in quickly configuring the products as per the market needs, or to quickly configure the process or operational changes to adapt to the organisational changes

Workflow Editor

Web-based inbuilt workflow editor, to define business processes, workflow editor is also combined with rules to offer complete flexibility and routing. Supports the centralised and decentralised processing through configurable options.

Dashboards

Offer extensive reports of business transactions and administrative actions to offer better monitoring. They are available as widgets and enable the user to add the appropriate widget as per user-preference. Additionally, enhanced dashboard functionality with feature-rich graphs and charts for the senior management offers flexibility to the bank to define any new charts or graphs as per their requirements.

Extended Fields

Defining an unlimited number of fields, for customer details and loan details, or by asset class, that cater to the needs of the business.

Lending Factory offers best-in-class application security & administration features that include:

- Active Directory Integration
- Role-based security to control access to various levels of modules, functions
- Authentication & Authorisation
- Password management
- Session management with timeouts
- Comprehensive audit logs with complete logging of user actions

Rule Builder Engine

Used for defining rules for various functional factories. Rule builder helps create rules and simulate the rules to cut-down implementation timelines. Advanced users will also be able to view the generated Java Scripts for reviewing the generated scripts.

Health Check Monitor

Overlooks data integrity and reconciliation. For example, outputs are prone to issues, due to programming bugs, process gaps, incorrect system configurations and/or manual data patches applied over time as a temporary solution, before the permanent fixes are developed for bugs or to fill process gaps.

The corrective process includes GL recon monitoring, Data Anomaly Monitoring, checks data across various financial tables and then throws an alert for any difference in data.

System Observability Services

System observability in Lending Factory refers to telemetry produced by services and divided into three major verticals.

Metrics provide quantitative information about processes running inside the system, including counters, gauges and histograms.

Tracing (distributed tracing) provides visibility into the complete lifecycle of system requests, helping identify failures and performance bottlenecks. Logs capture application-specific messages that support monitoring and troubleshooting.

Want to transform your lending operations? Drive growth and cost savings?
Contact us: sales@pennanttech.com or

Find out more at: https://www.pennanttech.com/lending-factory/

About Pennant

Pennant Technologies is an agile, innovative financial technology company that powers the lending operations of global banks and financial institutions. Its suite of future-ready lending products and solutions offers banks composable features and scalable capabilities to deliver differentiated loan origination, servicing, and collections experiences for their customers.Trusted by leading banks and financial institutions in Asia, Pennant's award-winning lending platform has managed more than 10 Million loans and facilitates 50 Million loan transactions per year.

Pennant is a Great Place to Work® Certified Company

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