

Optimizing the lending process to serve the company mission

A two-product strategy from Accelitas expands coverage for underserved borrowers

At-a-Glance

Company: A National Online
Installment Lender

The Company's mission is to provide funding to underserved populations who need it as quickly and hassle-free as possible. They provide a completely secure online process with transparent loan terms and strive to simplify the loan process for their customers.

Challenge

Expanding portfolio coverage to more customers in need – without increasing risk

The company needed to expand coverage to more customers without increasing risk or losses. Many of its target borrowers come from underserved populations, including thin-file consumers with little credit history. The company's existing risk management process was missing potentially good borrowers in this group and needed to adapt to changes in the market due to the pandemic. Previous experience with pass-through vendors had proved frustrating; most were volume driven and did little to address the specific needs the business required.



Accelitas was able to see things that others don't, allowing us to extend credit to more people in need without increasing risk and losses.

— Chief Analytics Officer

Solution

A two-product strategy and tailored waterfall to screen and score borrowers

Accelitas conducted an in-depth analysis of the company's waterfall, ranking data sources and optimizing the decision flow to balance risk and profitability. Accelitas then implemented a two-product strategy to screen leads at the top of the funnel (Ai Validate Bank Data) and subsequently underwrite applicants at the bottom of the funnel (Ai Lift). Having visibility into both products allowed Accelitas to optimize the interaction, rejecting poor scoring applicants early in the waterfall and using the constant feedback loop to continually monitor performance and revise the model. The customized system allows the company to fine-tune predictive confidence scores and significantly improve lending decision outcomes.

Results

Optimized performance delivers more predictable business results

With the ability to customize solutions to its specific business needs, the company is now able to lower data costs while increasing its lending performance. Leveraging real-time alternative data improved coverage rates by 2X, while the built-in feedback loop allows for constant sampling to adjust for drift in models and

market changes, demonstrating continuous optimization and improvement. Accelitas is constantly testing new alternative data sources, and after a thorough analysis, an additional source was added to the 4th generation model to lift new borrowers and decrease overall data costs. The company welcomed the chance to work with a credit risk analytics partner that understood both the industry and their specific business model.

<p>Improved coverage rates by</p> <p>200%</p>	<p>Lowered data costs by</p> <p>25%</p>	<p>Increased new borrowers by</p> <p>30%</p>
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