Harnessing Technology for Efficient Small Biz Lending

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Recent trends in small business lending

- After the recession, there was a decline in small business bank lending.

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FDIC Call report Q1 2015, March 31 Call Dates, C&I Loans +Nonfarm Nonresidential Loans
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Alternative finance is filling the gap

- High-cost, short-term financing is filling the gap.

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Search and Transactions Costs

- Spark
- MMS

New Products

- Mission Asset Fund/Lending Circles
- Tilt Forward/OnDeck

New Marketplaces

- KivaZip
- Lending Club and Funding Circle

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The Lending Value Chain

Customer Acquisition  Underwriting & Approval  Loan Servicing & Collections

Loan Application  Loan Closing

Technologies for Customer Acquisition

- Customer Relationship Management
- On-line lead generation
- Search Engine Optimization

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Technologies for Loan Application

- On-line loan applications
- Using tablets, mobile phones, cameras, scanners, etc. to gather loan application info/documentation

Technologies for Analysis and Underwriting

- Statistical scoring models
- Alternative credit data
- Data verification
- On-line pulling of credit reports and/or bank statements
Technologies for Loan Closing

- Outsourcing of document preparation
- Electronic signatures

Technologies for Servicing and Collections

- Outsourcing
- Mobile payment reminders
- Reporting to credit bureaus