

Accelerated Loan Disbursement through Product Engineering for Regional Bank in Australia

Client Overview

The client is a prominent regional bank in Australia delivering various products and services for personal, business, wealth, and community banking.

The Business Situation

The client did not have a centralized collateral management system within the bank. Their staff therefore, had to assess an applicant's income and declared living expenses manually by reviewing their bank statements and other documents, which made loan processing a very tedious and time-consuming process. This also created audit issues, valuation and utilization challenges, and delays in loan disbursements.

So, they had an immediate need for a NextGen platform that would provide collateral management and loan process automation to enable the decision-making squad to accelerate the lending process and provide enhanced customer experience.

The Solution

With extensive expertise and rich experience in product engineering for our BFSI customers, GSlab | GAVS provided a multi-pronged solution to streamline the loan disbursement process. Given below are the different solution components:

Centralized Collateral Management Solution

- Enables registration of collaterals and underlying assets like land, luxury cars, bonds, etc.
- Performs third party valuations on these assets at periodic intervals
- Seamlessly interacts with other applications such as Linx, RFSB, ValEx, etc.

Loan Process Automation Solution

- Validates the use of technologies that automate statement extractions and expense categorization
- Uses a combination of rule-based logic and machine learning

Credit Decision API

- Provides validation and transformation logic with informative error messages to ensure loan requests have met minimum criteria, before being sent to the EDE

Challenges

- Lack of centralized collateral management
- Tedious and time-consuming manual review of bank statements, documents
- Audit issues
- Valuation and utilization challenges
- Delay in disbursement of loans

Solution Highlights

- Centralized Collateral Management Solution
- Loan Process Automation Solution for faster assessment of applicant documents
- Credit Decision API to validate and ensure applicants meet minimum criteria

Solution Outcomes

- 50% reduction in loan disbursal cycle time
- Elimination of manual work resulting in easier and faster loan approval process, through automation
- Improved customer experience due to faster response times
- Reduced cost of ownership and faster time to market