



WHITEPAPER →

The Future of Digital Lending





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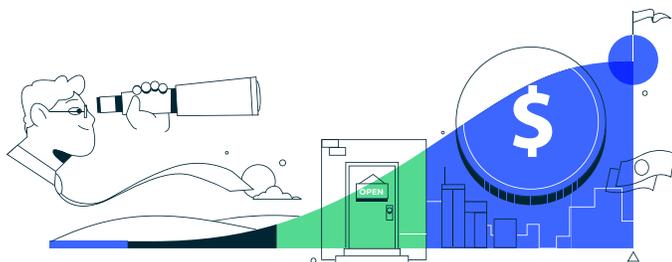
The State of the Modern Market



The lending industry is becoming increasingly complex.

It's harder than ever for lenders to deliver seamless customer engagement while simultaneously trying to balance their evolution toward enhanced customer targeting, retention and personalization, credit risk reduction, and increased pull through. Instead of moving forward, lenders frequently find themselves restricted by technologies that lack flexibility, inaccessible customer data, and manual intervention during loan processing that all add friction to the lending cycle.

Meanwhile, FinTech firms are competing in the industry by serving their customers without being anchored to, and hindered by, the same legacy operational challenges and rigid structures. This gives them the freedom and flexibility to offer more personalized loan products and services faster and cheaper than their more traditional competitors. As business models and technologies shift, nimble FinTech providers are better able to take advantage of new opportunities, while traditional lenders are being left behind.



Customer retention, always a challenge in the lending industry, is under new pressure. With a myriad of alternate lending choices just a click or swipe away, lenders big and small are now driven to expand product offerings, personalize customer experiences, and have a better understanding of their customers or expect to lose them to competitors.

The advancement of emerging technologies, including the transition towards AI and open banking, brings forth additional marketplace challenges, but also delivers improvements to the lending industry. Lenders are finally beginning to realize the true value of data to simplify customer journeys, reduce credit risk, and improve loan processing efficiency.

These changes in the market landscape are unprecedented. At this pivotal intersection, as we usher in a new era of smart lending, adopting the right technologies and products could make all the difference in business results. Banks and other lending entities need a solution that empowers them to be more agile and delivers the automation needed to eliminate friction and drive cost effectiveness across the loan lifecycle.



Obstacles and Challenges to Better Lending



Every lender aspires to increase their institution's efficiency and agility, but many are weighed down by outdated legacy processes and a lack of complete integration of their platforms. While web and mobile technologies have made loan applications easier, many lenders are working with piecemeal digital loan origination solutions that don't address the entirety of the challenges that they face today. Back office processes are inefficient and only scale by adding more people. This, in turn, increases costs and does not improve loan life cycle timelines. Meanwhile, lack of credit management flexibility introduces risk while balancing credit worthiness and application volume in an ever-changing economic climate.



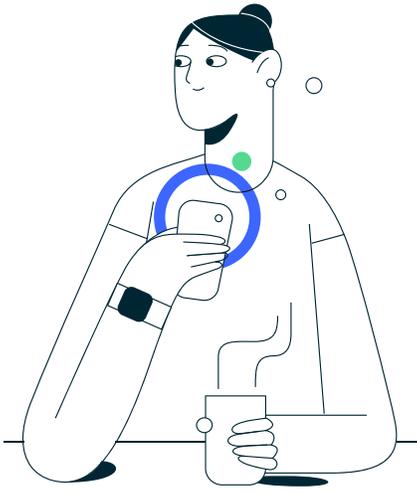
Greatest Challenges to Banks

72%	→	Efficiency
61%	→	Cost

Market research concurs—at least 72 percent of banks report efficiency as their greatest challenge, while 61 percent surveyed report cost. The two aren't mutually exclusive, either. The more efficient a financial institution becomes, the more cost-effective their operations become as well. While cost and efficiency pose significant challenges, there's also growing pressure to continually improve customer relationships.

For big banks already struggling with siloed data and rigid credit and policy rules, it's often difficult for them to build strong relationships with their patrons. Stovepipe organizations and restrictive platforms that aren't capable of integrating with one another leave them unable to use their data effectively to improve their customer journeys and process loans more efficiently. In addition, without the ability to integrate easily with FinTech's and new technology, lenders can't deliver the financial services their born-digital customers demand.





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For smaller banks and non-bank lenders, where the customer relationship is core to their mission, the pressure to maintain and ultimately improve relationships is intensified. Here, the challenge is offering a wide array of loan products to fit customer needs and cementing customer loyalty through personalization with continuous customer engagement, both digitally and at the branch office.

Challenges to better lending include stovepipe systems and the lack of data aggregation and analysis capability. This leaves loan processors in back offices stuck collecting and manually reviewing documents, communicating back and forth with customers to collect additional information and verify what's been provided, and validating income and credit worthiness. This delays processing, frustrates customers, and causes backlogs. And back-office employees must be highly trained to process and underwrite loans, which impacts productivity and siphons money that could be directed elsewhere in the organization.

These challenges and obstacles all play a part in increasing the time from loan application to close, resulting in higher drop-off rates and contributing to slow growth and higher costs.



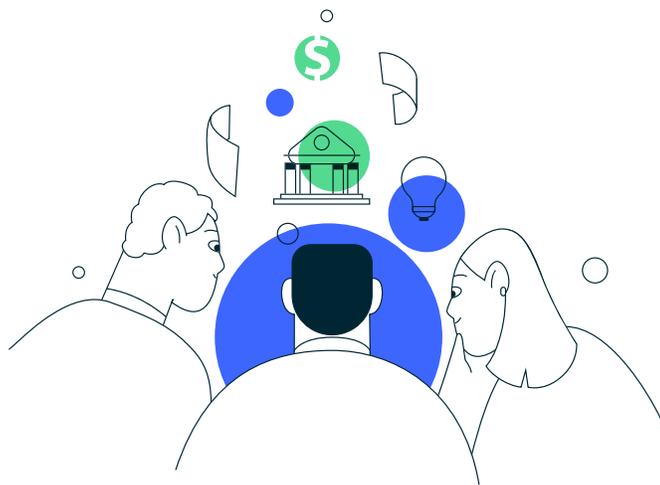
Anovaa: One Vision, One Mission



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We know these difficulties in and out because we have firsthand experience dealing with them. Driven by our ideas for and enthusiasm about unifying the lending process to solve the toughest problems lenders face, we focused our collective knowledge, experience, and lending expertise toward delivering the world's best loan origination platform. One that combines consumer-facing simplicity with advanced technology and back-end efficiency to speed loan processing and maximize workforce productivity.

That platform is Anovaa.



The platform was designed specifically to provide the right balance between user experience, operational efficiency, and risk reduction. With its modern underpinning and architecture, Anovaa allows for integrations with many of today's leading applications and services, providing lenders with much-needed flexibility and scalability. In fact, Anovaa serves as a complete loan origination ecosystem. It's integrated with credit bureaus and has its own credit scoring and modules for identity verification, fraud detection, income verification, school certifications, and more.

Because friction during the customer journey is such a serious problem in the lending industry, we created Anovaa to give lenders the ability to provide their customers with seamless, end-to-end mobile and digital customer experiences. This results in less drop-offs, increased pull through, and the anywhere, anytime access your customers demand.

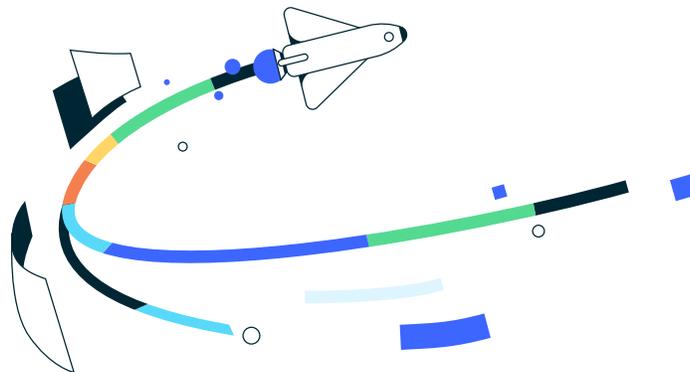


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To make lending more efficient, we've automated as much of the loan process as possible. Using data aggregation and advanced analytics, we've created a whole new paradigm in loan processing where model-based workflow and real-time data analysis eliminates human intervention to the point of achieving near zero-touch lending. This equates to less cost for lenders and a better overall experience for customers.

Our state-of-the-art digital lending platform supports personal loans, student loans, education refinance loans, credit cards and other types of revolving credit loans. It's available as a SaaS subscription, or, for a complete turnkey outsourcing of loan processing and customer service, we offer Anovaa Originate™.

United in our singular vision and mission to deliver the world's best loan origination platform and turnkey lending services, Anovaa is advancing the industry one smart loan at a time.





Benefits of Using Anovaa



Improve Customer Journeys

Maximize Efficiency

Avoid Credit Loss and
Add Credit Flexibility

Innovate Competitively

Customer Retention

Get Data in Real Time

Complete Ecosystem

Because Anovaa was created by experts who possess an intimate understanding of the nuances of lending, it addresses even the most perplexing challenges that lenders face.

Whether there's a community bank that needs the ability to foster a more seamless customer experience or a big bank struggling with the challenges that come from uneven digital transformation, Anovaa provides lenders with the complete solution needed to overcome their obstacles.



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What's the challenge?

Today's loan customers demand added value. They want digital, multi-device access anywhere, any time. The customer journey needs to be simple to use and personalized for each loan applicant. This requires a new level of Know Your Customer (KYC) and the removal of friction from the lending experience. Human factors, like eliminating typing and getting rid of the need for document uploads, are part of the challenge. In addition, continuous customer engagement using modern communications is an important part of the borrowing experience that needs improvement.

The Anovaa solution

Anovaa simplifies the customer experience. It's based on a modern digital technology framework, so all-channel access is guaranteed. During the application process, data is automatically collected so less typing is required by the borrower. We use data versus documents, so things like uploading income statements or providing identity verification documents are not needed. This removes loan application friction, creating easy and unified customer experiences. Anovaa is cloud-based and includes its own SMS services, plus it has an event engine that can activate customer communications like text messages or emails to ensure loan processing continuity. This continuous customer engagement improves turnaround times, pull through, and loan application to close ratios. These elements, combined with back office automation, solve the challenges lenders have in improving the customer journey.





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What's the challenge?

Over time, pieces and parts of the loan process have improved through digital transformation, but inefficiencies across the lending cycle remain. While websites and mobile apps present a good customer impression, manual loan origination processes in the back office can be painstakingly slow and require highly skilled employees to execute. Document review, credit analysis, reconciliation transactions, and case management overhead all contribute to the problem. To scale competitively, the only answer has historically been to hire more people, but finding people with the right skillset and training them creates additional costs which lowers margins and restricts growth.

The Anovaa solution

Anovaa addresses the overarching need lenders experience with their digital transformation initiatives that only partially address inefficiencies. Anovaa uses intelligent data analysis and unique workflow automation to eliminate manual loan processing steps. The system does the work and only prompts human interaction when it's required, so loan processors can more effectively and efficiently do their jobs. This improves productivity and gives lenders the power to do more business more accurately while requiring less in terms of personnel and fiscal resources.





Improve Customer Journeys

Maximize Efficiency

**Avoid Credit Loss and
Add Credit Flexibility**

Innovate Competitively

Customer Retention

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What's the challenge?

Lenders must work diligently to avoid credit loss due to fraud or inadequate controls. While avoiding credit loss, lenders must also employ flexible credit models to ensure loan approvals for creditworthy borrowers.

The Anovaa solution

Anovaa employs behavior analytics to reduce fraud risk and incorporates its own credit scoring module that analyzes customer data against a lender's credit rules. Credit rules, as well as compliance policies, are embedded into the loan origination workflow. Intelligence built into the system automates credit decisioning. For increased flexibility, Anovaa empowers lenders to easily add or adjust credit rules and policies in real time based on market conditions or business requirements. It also enables multiple credit models and pricing templates, plus has the ability to integrate both FICO and non-FICO data to create custom scores. With Anovaa, lenders can avoid loss and have credit controls so they're confident in their credit decisions.

Benefits of Using Anovaa



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What's the challenge?

To compete in the market today, lenders must be exceptionally flexible. They need the ability to innovate, integrate, and add new products rapidly without huge investments in infrastructure or resources. They also need to be able to pivot rapidly as new technologies and new market requirements emerge.

The Anovaa solution

The Anovaa platform is based on a modular, secure cloud-based architecture. It uses templates and workflow models so product set-up is flexible, fast and easy. It allows for A/B testing, enabling lenders to determine the best ways to market and sell those products. The Anovaa infrastructure is futureproof, too. Its API-based infrastructure accommodates technological change and integrates with new technologies or FinTech applications quickly and easily, giving lenders the agility they need to innovate for increased revenue opportunities.



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What's the challenge?

Research shows that 65% of a company's business comes from existing customers. Two of the biggest challenges lenders face to retaining customers are limited loan product availability and poor customer experiences. When lenders don't offer loan products customer want, they are passively sending them to competitors. Today, more than ever, customer actions such as referring friends, sharing posts, and giving reviews have a huge impact on customer retention and sales growth. The pendulum swings both ways, as great experiences can go viral and boost business, poor experiences can rapidly cause abandonment and diminish sales.

The Anovaa solution

Anovaa provides a range of personal, student, education refinance, and revolving credit loan products. Our modern SaaS platform or our Originate Business Process Outsourcing (BPM) for lenders make it possible to bring new loan products to market in weeks, versus months required by some competitors. Anovaa enables lenders to rapidly expand loan product portfolios. We do it while enhancing brand loyalty through proven design and delivery of fast, frictionless customer experiences supported by our highly experienced team that takes pride in providing services your loan customers will rave about. infrastructure accommodates technological change and integrates with new technologies or FinTech applications quickly and easily, giving lenders the agility they need to innovate for increased revenue opportunities.

Benefits of Using Anovaa



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What's the challenge?

Lenders need access to as much information as possible when making business decisions. In a converged digital world, old data can lead to poor results.

The Anovaa solution

Anovaa delivers real time data and information lenders need to make better business decisions. Data instrumentation and management dashboards are built into the platform to monitor both sales and loan origination workforce productivity. Lenders don't have to wait days, weeks, or months to see loan applications and pull through rates. And case management dashboards show real-time productivity of loan personnel, which empowers managers to make adjustments to ensure loan processing speed and efficiency.

Benefits of Using Anovaa



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What's the challenge?

Big banks, small banks, and non-bank lenders each have different loan origination ecosystem requirements. Large banks that want to build out their own ecosystem struggle with inflexible platforms that don't integrate easily with internal systems or partners. Smaller banks generally don't have resources to build out and maintain a large ecosystem of providers or keep up with emerging FinTech competitors. Non-bank lenders many times want to focus on their core business, without the overhead of managing a loan origination ecosystem, so they want to outsource loan origination end-to-end, including call center support and customer service.

The Anovaa solution

Anovaa delivers options for all types of lenders. It's a SaaS platform that comes pre-integrated with credit bureaus, fraud detection, cybersecurity, SMS messaging, third-party data services, student loan certification and disbursement agencies, and loan servicing agents. It uses APIs and microservices for easy integration with internal systems and partner applications for banks that want to build out their own customized ecosystem. Anovaa also offers its Originate™ white-label outsourcing service for those that want a turnkey loan solution.



Key Success Factors of a Digital Lending Platform



- 1 **Fully-customizable customer journey**
- 2 **Easy-to-use operational interfaces**
- 3 **Built-in security and fraud detection**
- 4 **Process automation to increase productivity**
- 5 **Credit flexibility for expanded lending opportunities**
- 6 **Efficient workflow to reduce overhead costs**
- 7 **Omni-channel communications to improve pull through**
- 8 **Real-time data collection and analysis for better business insights**
- 9 **Management dashboards for continuous process improvement**
- 10 **Modern API architecture for integration flexibility**
- 11 **Complete lending ecosystem to speed time to market**
- 12 **Flexible delivery models (SaaS, Outsource) to meet business requirements**



Accelerate Growth with Anovaa

Accelerate Growth with Anovaa



Ours isn't a traditional digital lending platform—it's a holistic ecosystem, bringing to bear not only the full expertise and experience of the Anovaa team, but also that of our partners and their resources. Anovaa is scalable and modular enough to fit perfectly with lenders that range in size from small credit unions to international banks.

Our rapidly deployable SaaS platform combines flexibility with functionality, empowering lenders to grow, save money, compete with nimble FinTechs, increase efficiency, book more loans, and thrive in the post-digital lending marketplace. For lenders in need of a complete white label experience, we offer Anovaa Originate for turnkey outsourcing of loan origination and customer service. Whichever solution lenders choose, they'll be supported by our team of lending experts with the expertise that comes with processing \$100 billion in loans and decades of experience.

Anovaa is more than just the world's best loan origination platform. It's the future of digital lending. Built by lending experts to serve as a bridge connecting financial institutions stuck in the past with the modern, post-digital era, bringing together the lessons from the past with a vision for the future of lending.

We're confident that Anovaa can help all lenders experience increased efficiency, agility, and growth, but don't just take our word for it. Schedule a demo of Anovaa today and see for yourself the power of smart lending.



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The Future of Digital Lending

