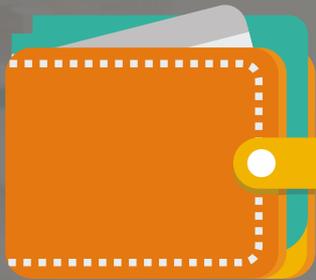


Small Business Administration (SBA) Loan Automation



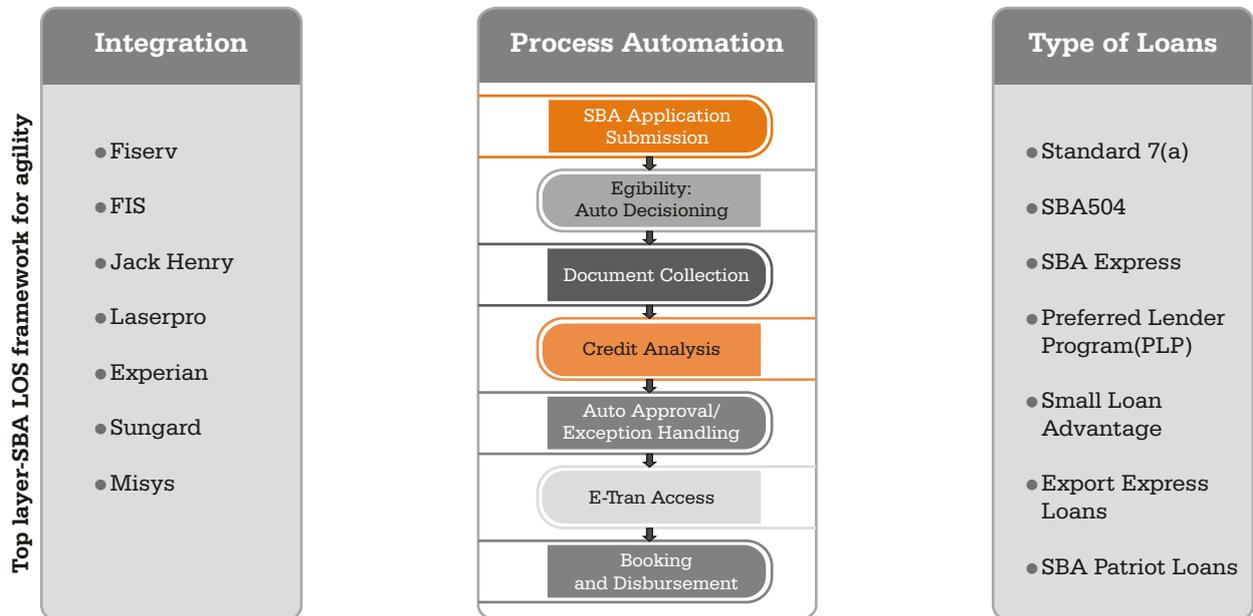
As part of the complete loan origination solutions, banks are looking at a solution which covers the entire gamut of lending solutions including Retail Loans, Commercial Loans, Commercial Real Estate Loans and Small Business Administration Loans.

Traditionally, SBA loans have been associated with “piles of paperwork” and a high TAT. However, banks are now identifying SBA loans as one of the low hanging fruits for automation owing to the clearly identifiable eligibility criteria, proceeds check and pricing rules.

Newgen Solution

Newgen SBA LOS (Loan Origination Solution) covers the complete life cycle of SBA loans right from submission, qualification, and approval to funding and monitoring in a workflow driven paperless environment. The service is delivered on-premise as well as on cloud. Cloud deployment of the SBA LOS solution ensures faster deployment, lower infrastructural cost and faster ROI as well.

SBA Loan Origination System built on BPM framework



Underlying BPM Layer for Adaptability



Newgen SBA LOS Overview

SBA Application Submission

Newgen solution provides multiple channels for the applicants to initiate the SBA related queries or the actual loan applications. Apart from branch walk-in, the solution provides online web portal application where applicants can submit basic details to check their eligibility for SBA loans and if successful, proceed with the loan application. The application can also be rendered on Mobile/Tablet interfaces for the applicants to apply from anywhere

Eligibility: Auto-Decisioning

Newgen solution comes with embedded rules as per the SBA loan program eligibility rules. Based on Industry Type, Employee Size, Gross receipts, Tangible Net worth or Net Income, banks can quickly check the eligibility of the applicants

Document Collection

Newgen solution ensures that applicants have complete list of the documents to be collected such as income tax returns, background statements, projected business financials, business licenses and other documents. The provision for deferred documents sends automated alerts to the applicants and concerned users

Credit Analysis

As part of the Bank's internal credit analysis approach, the solution can automate the same using the applicant's financial information. This includes generating the financial ratios based on various financial parameters like liquidity, profitability and creditworthiness of applicant

Newgen can also integrate with the existing scoring models such as FICO SBSS and fetch the scores in a seamless manner for the bank users. This helps underwriters to just evaluate the ratios & score and provide expert opinion on the loan application

Auto – Approval/Exception Management

Apart from the eligibility for Small Business, SBA also clearly states the rules for maximum Loan Amounts, Maximum Fees, Acceptable spreads, Loan proceeds etc. Newgen solution transforms all these rules into the Rules Engine and allows banks to not only structure the loan automatically but also approve the SBA loans

Once the loan is approved, the solution can generate the Credit Memorandum as per the Standard Operating Procedures (SOP) 50 10 5, including financial information like Balance sheet, income Statement, Cash Flow Statements and financial ratios

In case the loan is not approved, banks can define the actions on the rejected loans. These loans can be kept in the system for future references on Duplicate Checks/applicant history etc.

E-Tran Access

Once the loan is approved internally by the bank, it can be automatically submitted to E-Tran, SBA's electronic web service portal for SBA loan guaranty. This is done by a web services based integration where all required loan data is submitted to E-Tran, and loan approval as well as Loan assignment number is populated back in Newgen SBA LOS

Booking & Disbursement

Once the loan is backed by SBA guarantee, SBA documentation can be generated within Newgen SBA LOS or the solution also provides integration with LaserPro for a seamless documentation Prep. As part of the booking process, Newgen solution integrates seamlessly with the core banking system for creation of customer ID and customer loan account number

Benefits

Unified Loans Processing

Newgen SBA LOS acts as a single interface for the bank users to complete the end-to-end SBA loan origination cycle. The solution leverages existing investments and integrates with various third party systems like Core Banking System, Credit Scoring Engine, Document Prep system and E-Tran portal. This avoids working on multiple screens and duplicate data entry in different applications

Lower Turnaround Time

The average TAT for SBA loan approval is from 60 to 90 days. Newgen solution expedites this time substantially with following features

- First-Time-Right Application with form validations
- Documentation Checklist based on Loan Types
- SLA Management, Turnaround Time Tracking & Alerts
- Auto-decisioning of the SBA Loans based on the Bank rules

Lower Costs

With inherent benefits such as shorter turnaround time, paperless workflow and First-Time-Right processing, the solution promises to reduce the overall costs including direct costs related to employee productivity, paper handling costs, manual handoffs etc.

Compliance

SBA loans are driven by compliance mandates and it is important not only to disburse SBA loans but also to maintain them as per SBA standards and internal credit policies. Newgen solution provides these rules and credit policies as part of its rules engine and ensures compliance with all the standards

Agile/Configurable Product

Newgen SBA LOS is built on flexible BPM layer which offers configurable solution framework that mitigates the need for coding related time and cost burdens. This enables organizations with an "Agile Framework" and benefits those with an Adaptive Enterprise

About Newgen

Newgen Software is a leading global provider of Business Process Management (BPM), Enterprise Content Management (ECM), Customer Communication Management (CCM) and Case Management solutions with a global footprint of 1300+ installations in 61+ countries with large, mission critical solutions deployed at the world's leading Banks, Insurance firms, BPO's, Healthcare Organizations, Government, Telecom Companies & Shared Service Centers.

Newgen's Quality Systems are certified against ISO 9001:2008 and Information Security Standard, ISO 27001:2013. Newgen has been assessed at CMMi Level3.

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