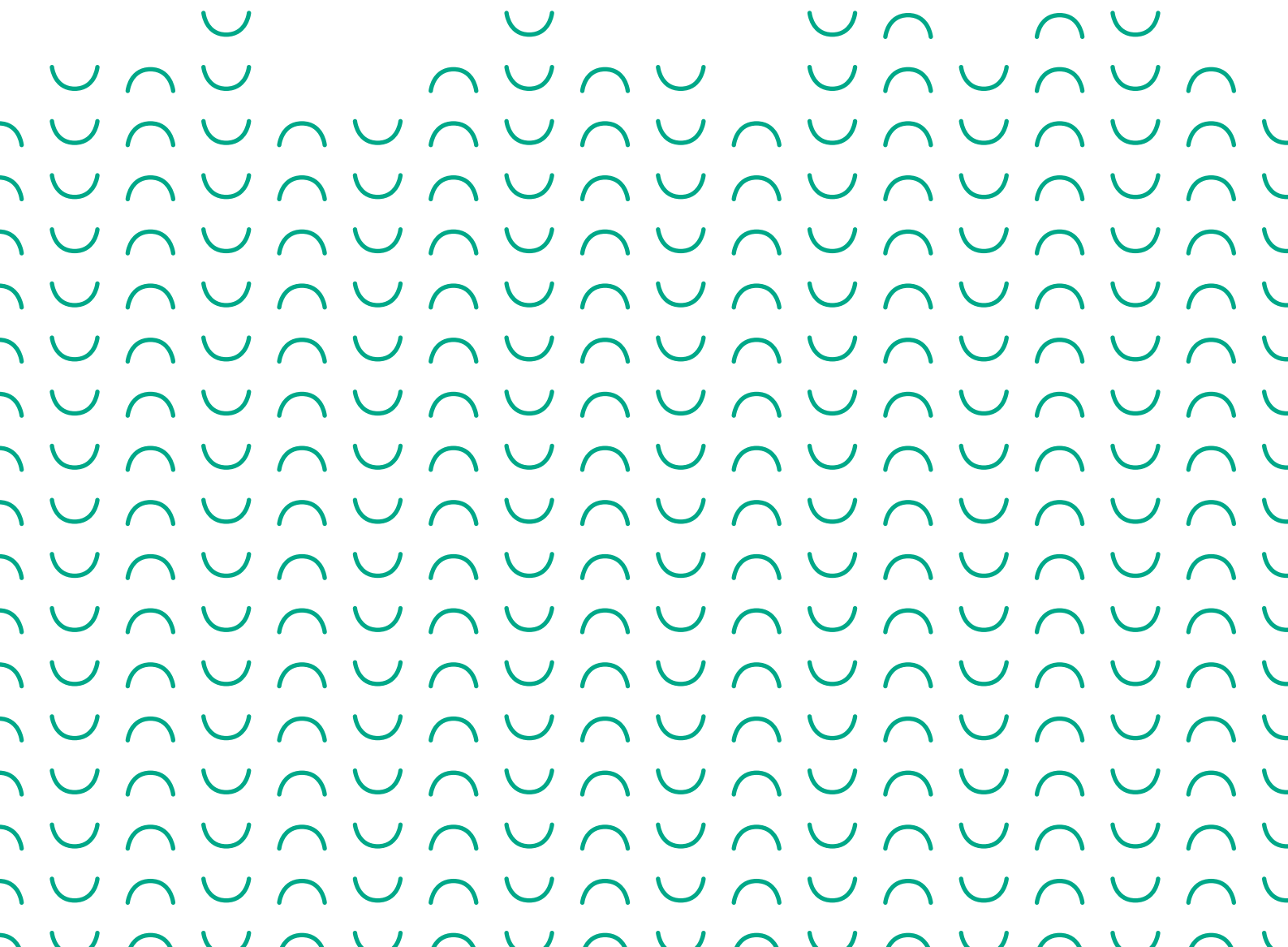




CREDIT DECISION PLATFORM

A Loan Application Processing Software
to Speed Up Workflows



CREDIT DECISION PLATFORM

Learn how loan application processing software helped our banking client improve decision-making dramatically and get a record revenue.

Project Essence

The credit decision platform (CDP) is a multimodular solution for both manual and automatic loan application processing.

3 months

Fast development and delivery in less than 3 months.

Fail-proof

Fail-proof integration with all the internal and external systems.

1,000 applications = 15 minutes

Processing of 1,000 applications in less than 15 minutes.

Adaptation to new requirements

Fast and easy adaptation to new business requirements without coding.

CHALLENGE

The customer is a subsidiary office of one of the region's largest banks. The company focuses mostly on retail banking, has its own management, and acts autonomously in making the majority of decisions.

The bank's main challenge was that the legal regulations and other business-critical factors were changing at a fast pace. For the bank, it meant that they had to keep up and introduce relevant changes to their own credit decision-making processes all the time. That's why they were looking to automate these workflows with a credit decision platform, which would offer the possibility to change the rules quickly and without programming.

The OutSystems platform was chosen as the foundation technology for the future platform, as it allowed implementing required changes with no coding required. That gave us a significant advantage at the presale stage, so when the competing vendor suddenly shifted their proposal to the same OutSystems technology, we could outcompete them on the basis of our in-depth experience in this domain.

According to the terms of the agreement, we were to develop the CDP system as a pilot project within a very short timeframe of 12 weeks and then forward its maintenance to a local IT service company.

The scope of the main requirements for the pilot project of this loan application processing software looked as follows:

- Enabling fast and easy changing of the decision-making rules.
- Designing a UI that could be adapted to any backend changes with minimal coding.
- Integrating the CDP loan application processing system with existing software used at the bank.

SOLUTION

To meet the strict deadline and the requirements elicited at the business analysis stage, PST Labs' engineers used the cloud-based FICO Application Studio, which is built on the OutSystems Rapid Application Development platform.

The credit decision platform system modules

The Application Processing Module (APM) is a full-cycle credit application processor. It can operate in both automated and manual modes, and supports the following operations:

1. Initial loan application review according to the bank's internal guidance.
2. Filling-in of applications during a consultation based on data from front-office banking systems.
3. Queue management. By default, all applications are assigned to specific managers. An administrator can manually reassign the application, change its priority, or send it for re-processing in case of error.
4. Scoring. The foundation of the scoring system is FICO Blaze Advisor, a business rules management system that operates with a preconfigured set of rules. It enables the assessment of both external and internal credit histories. Based on this assessment, the software calculates the credit score for each application.
5. Manual analysis of gray areas in applications by risk managers and underwriters.
6. Automatic scoring of the borrower's rating. Scoring is intended for evaluating the probability of the borrower's default using a scoring card.
7. The loan calculator defining the highest possible loan amount based on the borrower's score and preferences.
8. Fraud detection and prevention, including the analysis of external data sources to check whether the borrower is blacklisted.
9. Application registration in the borrower's digital account. The borrower's complete information entered into the system becomes available for analysis to the participants of the loan application review process, who can attach electronic documents (statements, agreements, images, etc.), as well as leave their ratings and comments.

The Decision Module (DM)

The Decision Module (DM) is a tool that provides the most important feature: the possibility to make fast changes in the system logic without the need for programming. The bank's staff members can create, edit, delete and manage business rules fully on their own.

With this module, implementing changes became fast and easy. So much so that shortly after the delivery this subsidiary company became even more agile in pushing innovations than their parent banking organization.

Loan Application Processing Software Development Process in a Nutshell

Thanks to our choice of effective and reliable development tools, the development process itself was straightforward and well-paced, with no unexpected issues.

Our engineers finished the development and delivered the fully functional credit decision platform within the contractual terms.

IMPACT

3 months to 15 minutes

The very first stress testing showed the credit decision platform could process up to 1,000 applications in 15 minutes. Before the delivery, it would take at least three months for the bank's entire loan department to process as many applications.

Record revenue

In the first year after the CDP launch, the bank reported its record revenue.

Carry on collaboration

Thanks to these achievements, we were able to carry on our collaboration with the bank with much more scaled-up projects. This collaboration is still ongoing.