LoanPro
Modern Credit Platform

SERVICING ON AUTOPILOT
LoanPro's guide to increased automation in loan servicing

As shifts in the economy have raised the cost of capital and labor, many lenders are seeing reduced margins, even if their portfolio has performed steadily. To drive profitability, lenders need to increase operational efficiency, cutting down manual work without compromising their customer experience or introducing compliance risk.

With LoanPro's modern credit platform, lenders see significant gains to efficiency:

Best Egg gave agents the tools to service three times the accounts, allowing them to grow their lending portfolio without having to increase the number of front-line staff.

Solvento decreased the number of manual tasks by 250%, resulting in a 97% reduction in loan delivery time.

Cross River Bank fully automated key compliance processes, cutting down on day-to-day work, training time, and compliance risk.

In this overview, we'll walk through a few of the most impactful automations that are possible with LoanPro's modern lending and credit platform. We'll showcase some of the ways our clients are using LoanPro's next-generation servicing and collections tools to drive operational efficiency, but don't mistake this for an exhaustive list—our configuration-first approach means that virtually any process can be streamlined and automated.
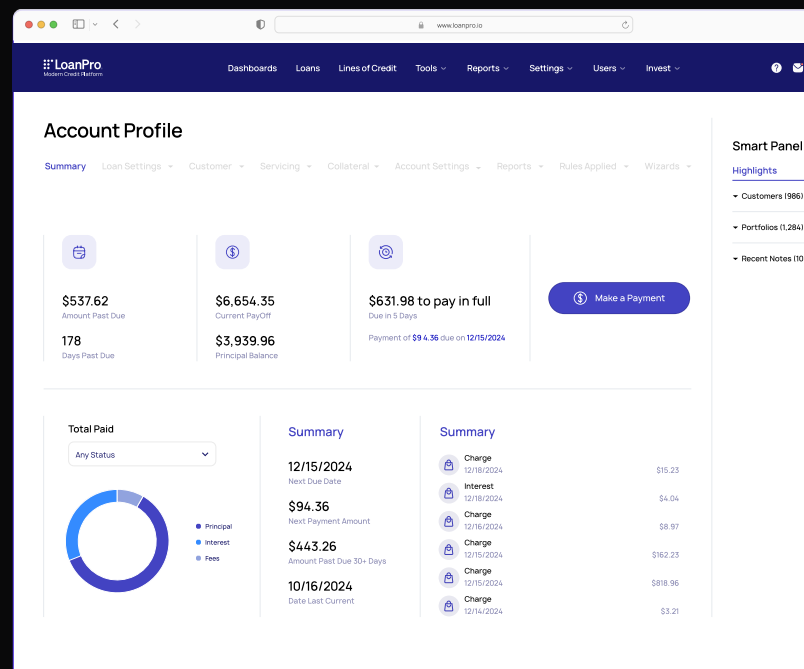
Overview of impactful automations

Send standard mail

While talking with a prospect, they complained that with their current loan management vendor they took six of their servicing personnel to create and send mailed loan statements at the beginning of each month. This group would put their servicing and collections work on hold for almost a week in order to create customized statements, put them in envelopes, address and mail them. This caused a dip in servicing and collections for an entire week, thus increasing default rates.

LoanPro's modern lending and credit platform automatically generates and mails statements. Statements can be configured as templates, which are generated for each account in order to include specific, accurate account and customer information pulled directly from the real-time ledger. Automation of mailers can be configured so they are sent when and to whom they should be.

Welcome letters

Once an account is approved, LoanPro automatically sends out a welcome packet (through physical mail, email, and/or text message) that includes a copy of their contract, instructructions for accessing the customer portal, the company's contact info, and any other pertinent information.

Past due notices

You can automatically send regular past due notices with dynamic account information (e.g., the amount and number of days past due, grace periods, the next payment date, etc.). These can be sent out with whatever cadence or frequency you prefer.

New credit opportunities

Lenders can set up business logic identifying which accounts qualify for different credit products, and LoanPro will automatically send them an offer. This provides increased efficiency with up-sell and cross-sell initiatives, increasing the rate of success for those campaigns.

Collections communication

Upcoming billing statements, demand letters, or any other communication that is sent in order to collect from borrowers can be automated with LoanPro. Electronic communication can be sent via email, standard mail, and SMS text message. Communications can be configured as templates, which are generated for each account in order to include specific, accurate account and customer information pulled directly from the real-time ledger. Automated communications can be configured so they are sent when and to whom they should be, and through what channels.

Same-day payment reminders
If a payment hasn't been received on its due date, you can automatically send out a reminder

Grace period warnings
You can send out dynamic warnings on each day of a borrower's grace period, reminding them to make their payment or they will incur a late fee.

Payment receipts
Once a payment is received, you can send a receipt with payment details.

Compliant disclosures

When a law requires lenders to communicate certain information to a borrower, LoanPro's Compliance Safeguard functionality monitors the account for those criteria and then sends the communication automatically, ensuring compliance and saving time and effort.

This includes automation with logic that applies to each regulation including:

» LoanPro can prioritize electronic communication, but send physical mail if the borrower hasn't consented to electronic communication.

» Some laws have special requirements about communication, like requiring different information depending on specifics for the account. LoanPro handles this seamlessly by embedding the logic into the template form. This will display different information depending on details of the account.

Automatic payments

Payments can be completely automated within LoanPro, increasing collections rates and reducing losses. A payment automation can be created for all the payments that will come due, a single payment, or a group of future payments. If a payment attempt fails, it can be configured to be automatically retried.

AutoPays on schedule – AutoPays can match the original schedule in the loan contract.

Accelerated schedules – Optional AutoPay schedules can let borrowers pay on an accelerated schedule, allowing them to pay off their account early.

Automatic balloon payments – An automatic final payment at the end of the schedule for the entire outstanding balance.

Catch-up payments – At a delinquent borrower's request, LoanPro can set up a payment schedule to help them catch up with a few automatic payments.

Automatically cancel AutoPays – If an AutoPay fails (once or repeatedly), you can have it automatically cancel and deactivate the payment profile. This enables you to comply with the recent regulation that requires lenders to re-authenticate a payment method after that payment method has failed three times in a row.

Notifications to external systems

LoanPro provides configurable Advanced Connections (e.g., webhooks) functionality, so that external computer-based systems can be notified of LoanPro account events or conditions. This enables lenders to seamlessly integrate all of their outside systems with LoanPro.

Advanced Connections are configured to work as API calls, which means that they can communicate directly with any third-party API, without needing additional software to bridge the connection. Advanced Connections in LoanPro can be configured to retry automatically if the connection fails, in order to ensure that notifications are received by external systems and nothing is missed.

External communication systems
If a lender uses a communication system that isn't native to LoanPro, they can use webhooks to trigger that system to send communications to their borrowers.

External customer portal
If the lender has their own borrower portal or app, webhooks can send information to that borrower portal. The information is retrieved directly from the real-time ledger to ensure that all information that is sent is accurate.

Origination
If you use LoanPro as a data repository during origination, Advanced Connections can be used to interact with external systems.

- » **KYC/AML –** Once you have a borrower's info from an application, you can automatically ping any KYC/AML tools you use, which then sends their data back into LoanPro through API.

- » **Underwriting –** Similar to KYC/AML as the transfer of data can happen seamlessly.

- » **Decisioning –** You can have data automatically go out to your decisioning engine when customers submit an application or upload necessary documents. The decisioning engine then sends its result back into LoanPro through the API for a seamless transition.

- » **Funding –** Once an account is approved, Advanced Connections can be used to trigger LoanPro to fund the loan.

Advanced Connections can also automatically communicate with decisioning tools about extending new credit products to existing customers for cross-sell and up-sell opportunities. When a customer hits the right criteria (specified by the lender's own business logic), LoanPro can ping the decisioning engine and see if they qualify. If they do, LoanPro can even automatically send an offer to the borrower.

Data on demand

LoanPro's new Data on Demand product automatically queries the database and generates reports. These reports can contain any information the lender wants, happen as frequently as they want, and go to whatever secure destination the lender wants (e.g. Dropbox, SFTP, etc.). Use cases include:

» Reporting to investors

» Audit reports

» Sending data to third party analytic tools

» Credit Reporting (see below)

Credit reporting

Data on Demand can pull the necessary data for credit reporting, format it as a METRO2 file, and send it to a secure destination for upload to the credit bureaus.

Quick Actions

Quick Actions in LoanPro allows agents to click a button which fires off a series of automated steps via our Automation Engine. Processes that used to take ten manual clicks from front-line staff can now be streamlined with Quick Actions, saving agents' time and reducing the chance for manual errors. Quick Actions can also be triggered by the Automation Engine or an API call, fully automating the process.

Quick Action Agent

Confirm Execution

Log a Payment

Sand Customer Communication

Finish
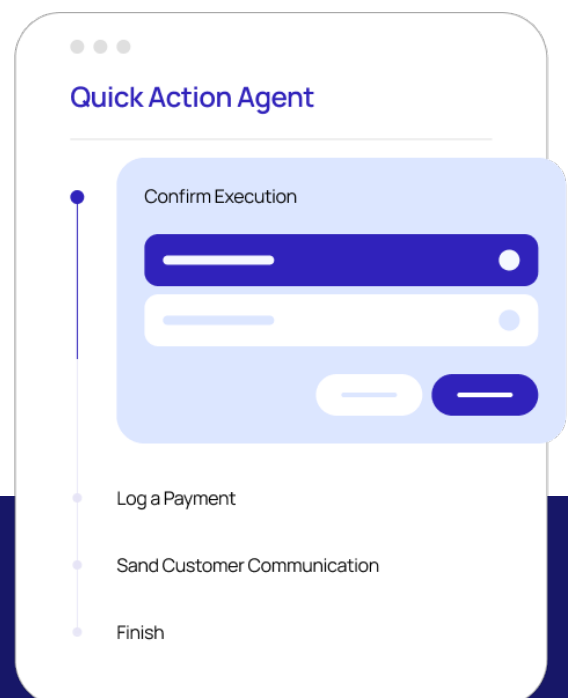
Refunds

LoanPro can detect when a loan's balance goes negative and then automatically refund the borrower the correct amount, improving both customer experience and staying Regulation Z compliant.

Quick payoff quote

When a 10-day payoff quote, or any other payoff quote, is requested, LoanPro automates the recording, generation and delivery of the quote to the borrower.

Payoff/account closure

When an account with a balance needs to be closed (according to the lender's own custom business logic), the system can automatically forgive the remaining balance, write off the account, update credit reporting info, send an offboarding notice to the borrower, and anything else that's part of the lender's account closing process.

Repossession

When a collateral item needs to be repossessed (according to the lender's own business logic), LoanPro can automatically send the repo case to our management platform, allowing repossession agents to be assigned and collect the collateral. It also updates the groups and labels associated with the account, sends out any required disclosures to the borrower, and notifies any assigned agents.

Payment reversals

When ACH payments are made using an integrated payment processor, if the payment fails, the payment in LoanPro can be automatically reversed, without the need for any user input.

Funding

When an account has met a lender's approval criteria and has a payment profile attached, LoanPro can automatically disburse the appropriate amount to the borrower.

Charge-off process

When an account is so far delinquent that the lender wants to execute on a charge-off (and precisely when that happens is completely up to the lender's own business logic), LoanPro can charge-off the account, notify the assigned agent users, and change the labels on the account to reflect that its been charged off.

Multiple returns

When consecutive payments are attempted using the same payment profile, if the payments fail, an automatic action can be taken to deactivate the payment profile so it isn't used again in violation of the small-dollar payments rule.

Delinquency management

We have several automations built around delinquency in LoanPro's modern lending and credit platform. These processes automate the previously manual time-consuming process of delinquency.

Labeling

When an account reaches a set number of days past due, a certain amount past due, or even more specific combinations of those figures with other account information, the system automatically changes the groups and tags associated with the account. Its status changes to "Delinquent" and the smart tags are added for easy filtering and searching.

Other deliquency management actions

From there, LoanPro can actually treat the account differently according to your own business logic that you specify:

- » Sending out delinquency notices
- » Assigning it to a collections agent
- » Automatically assessing fees
- » Offering a hardship relief program to qualifying accounts
- » Placing it within an agent's collection queue

Agent walkthrough validations

Agent Walkthroughs are streamlined step-by-step flows that allow agents to understand how to complete a specified servicing action. Lenders can set certain conditions under which Agent Walkthroughs are available, which prevents agents from executing a task that they shouldn't execute for a specified account.

Import validation

When you perform an import, LoanPro can automatically validate that the data is compatible with the current configuration, ingest the data into the system, and then verify that data from the file was copied correctly. This adds a layer of certainty to the import process.

Insurance reminders

When an insurance policy is due to expire, LoanPro can automatically send out a reminder to the borrower and agent a set number of days in advance.

Hardship assistance programs

If a lender has defined business rules for when a borrower qualifies for a hardship assistance program, then LoanPro can embed that logic into the system. When a borrower requests that assistance (through IVR, a customer portal, or other integrated tools), LoanPro checks whether the account qualifies and takes the action that the lender has specified. All of this happens without any need for agent input.

Variable interest

LoanPro automatically updates accounts' interest rates in step with variable interest rate indexes like SOFR or the Federal Reserve.

SCRA

When a borrower goes active duty, LoanPro helps to manage the process with several automations:

» Until the borrower submits the proper documentation, LoanPro can send out automatic reminders to them to complete all requirements to lower their interest rate.

» When the borrower uploads the document, LoanPro can automatically notify the agent assigned to the account or whoever will review and approve the document.

» When that approval is made, LoanPro will automatically update the customer's interest rate and future payments to stay compliant with SCRA. This includes automatically adjusting any previously established AutoPays.

» LoanPro also automatically generates and sends out a notice to the borrower that their interest rate has been updated, including a new payment schedule.

Attorney retained management

If a borrower has requested that you only communicate with them through their attorney, LoanPro can automatically stop communicating with the borrower and prevent agents from sending anything to them directly. This ensures that you remain in compliance and safe from any negative consequences.

Bankruptcy management

When a borrower files bankruptcy, LoanPro can automatically stop AutoPays and normal collections efforts and initiate a bankruptcy process. The account will automatically be escalated to whoever handles bankruptcy, and they'll get a notification in the system.

Increase automation in your loan servicing

Reach out to our team of experts today to explore how we can increase the level of automation in your loan and credit servicing today.

Let's Chat →

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