



Engineering the Optimal Digital Lending Experience: Fast, Frictionless & Fully-Automated

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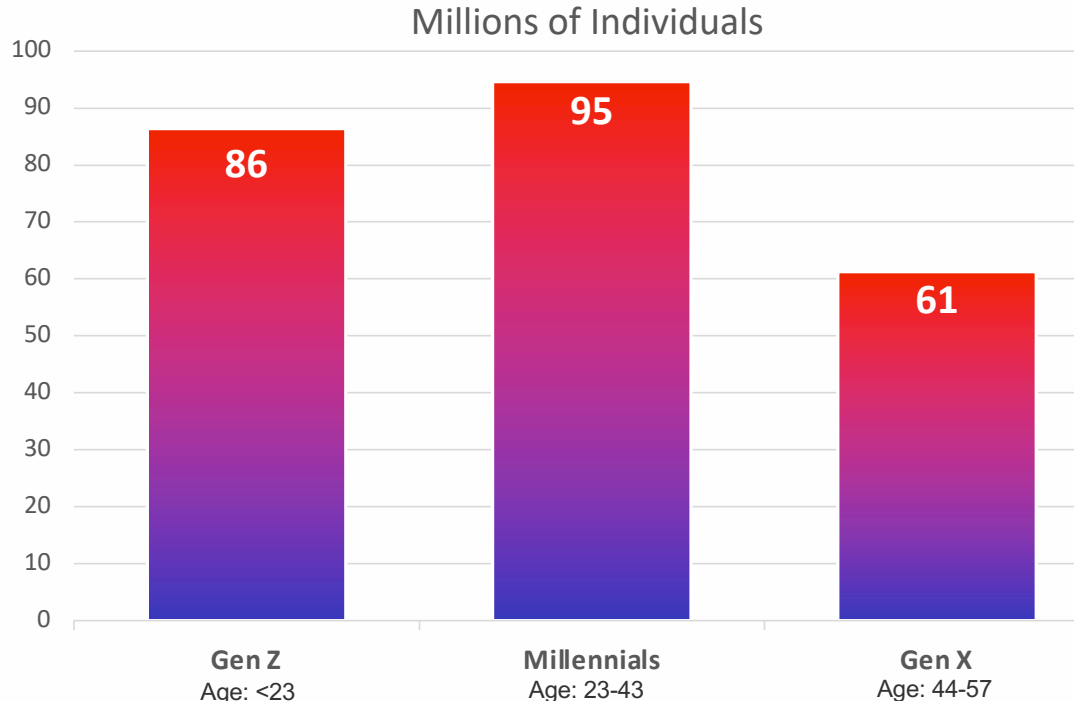
Intro

The future of lending will be dominated by Millennials and Gen Z who increasingly expect their banking providers to deliver seamless experiences. These borrowers want a fully-contactless digital lending process — from streamlined digital applications, to fast, automated AI-powered loan decisions.



Digital-First Mindset

Millennials are Largest Driver of New Loans



Source: Knoema.com

- There are over 180 million Millennial and Gen Z individuals in the US in 2020
- These two groups represent 55 percent of the US population, and each exceeds all previous generations in size, including Baby Boomers
- Millennials are driving the current real estate boom while Gen Z are just beginning to make their presence felt economically

Digital Banking Preferred

Digital Banking Preferred



4 in 5

Consumers prefer managing finances digitally



Source: [Chase Digital Banking Attitudes Study](#)

Consumer Loyalty Declining

Consumer Loyalty Declining



27%

Accountholders
looking to leave their
financial institution



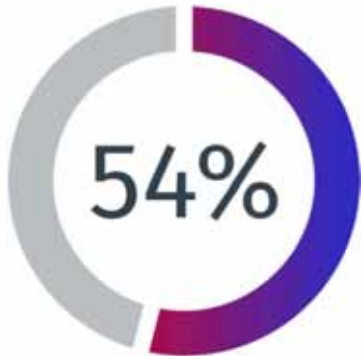
**Financial Institutions Need to Innovate
How They Engage Consumers**

Source: [Foresight Research](#)

Consumers Will Purchase if Offered

54% of loans and 50% of credit cards are opened with providers that consumers consider not their primary financial institution in the U.S.

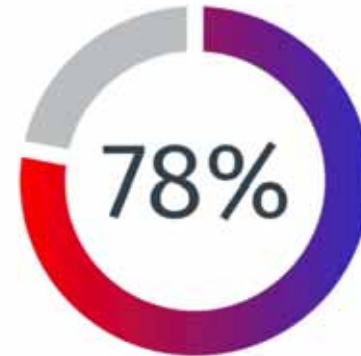
But 78% of those surveyed who received a direct offer from a competitive institution **would have purchased from their financial institution** if they received a similar offer



Loans



Credit Cards



Would have purchased from their financial institution

SOURCE: [Bain & Co.](#)
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Expected Consumer Engagement Model

Modern Lending Process



Then: Days



Now: Minutes



Success Pillar 1: Speed

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Technology Empowers Speed

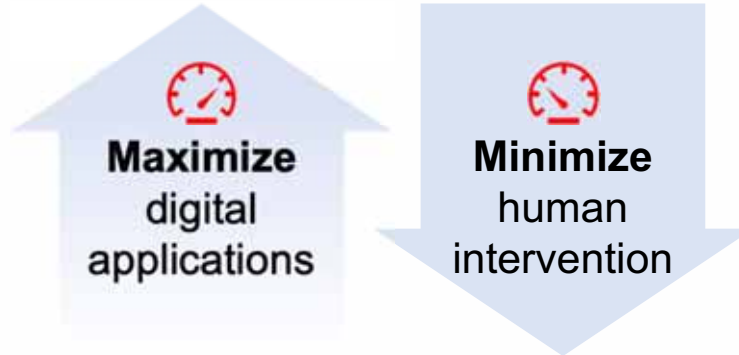


End-to-End Frictionless Workflow Enables Scaling

FASTEST CYCLE TIME =
Best Experience



Keys to Success:



Digital Applications Designed for Quick Completion

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HOME | FAQ | CONTACT | LOG OUT

Credit Card Application

Let's Get Started!

First Name:

Last Name:

Mobile Number:

Email Address:

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HOME | FAQ | CONTACT | LOG OUT

Credit Card Application

Let's Gather More Info

Personal Information

First Name:

Middle Name:

Last Name:

Mobile Number:

Email Address:

Date of Birth:

Current Residence

Street Address:

City:

State:

Zip Code:

Current Employment Status

Employment Status: Unemployed Full-time Part-time Retired Other

Employment Type: Employee Self-employed Other

Financial Information

Monthly Gross Income:

Monthly Housing Payment:

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Credit Card Application

Review Information

Credit Card Info:

Personal Info:

Contact Info:

Residency:

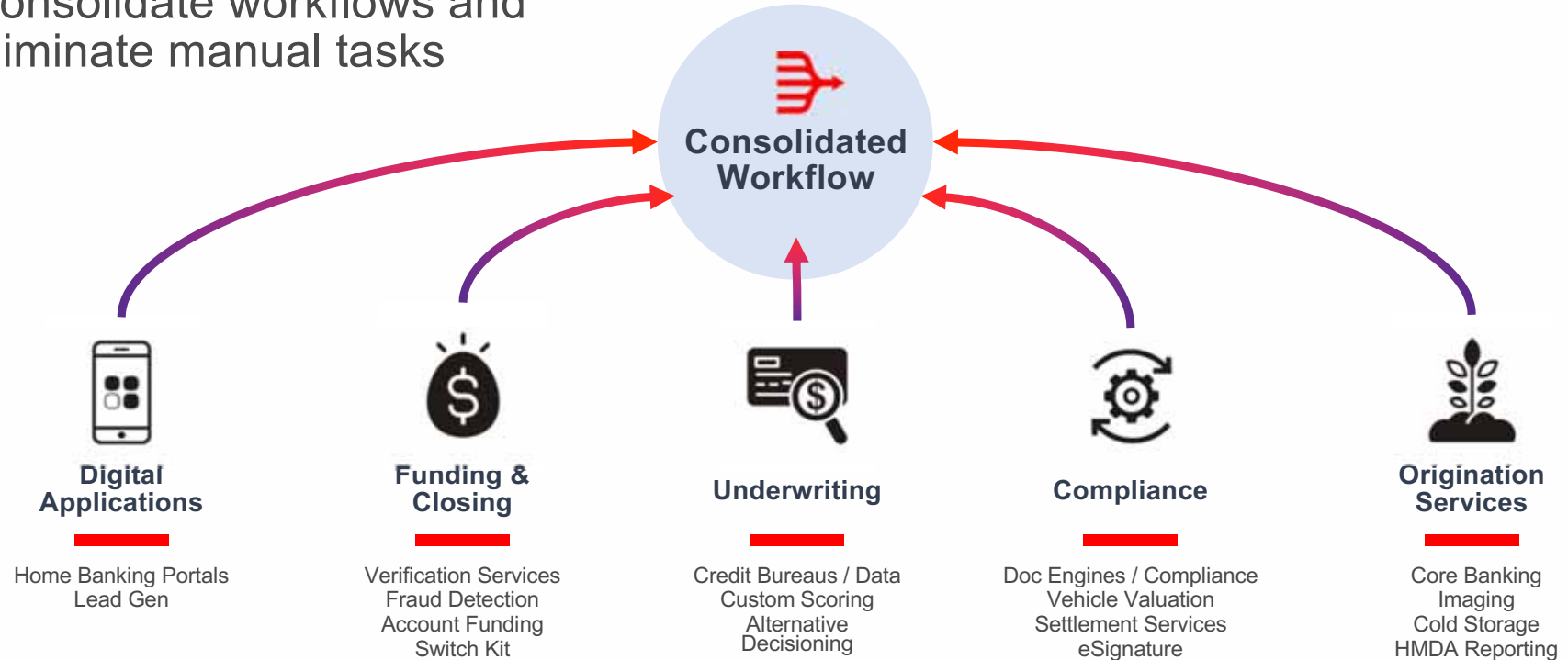
Employment:

Payment:

Reduce friction and capture consumer interest

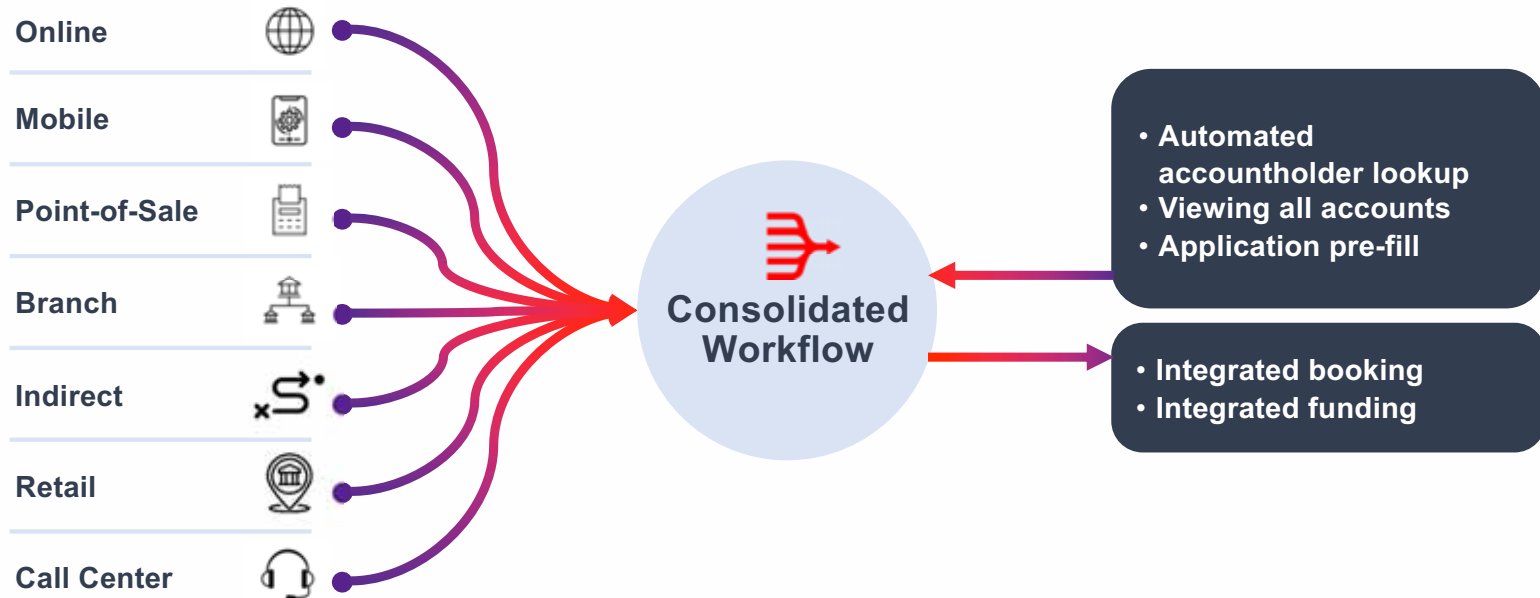
Automated Processing & Paperwork

Consolidate workflows and eliminate manual tasks



Integrated Core Processing for Better Experience

Simplify consumer experience, eliminate duplicate data entry and manual tasks



Success Pillar 2: Inclusive Lending

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AI Decisioning + Inclusive Lending

WHAT IS

Inclusive Lending?

Broad appeal to different demographics to increase reach across the U.S.

Datapoints

Average FICO Score by ETHNICITY

ETHNICITY	2019 AVERAGE SCORE	CLASSIFICATION
Black	677	Good
Hispanic	701	Good
Other	732	Good
White	734	Good
Asian	745	Very Good

Source: Shift Credit Card Processing, August 2021, reporting U.S. Federal Reserve data

Average credit score by AGE

20-29 (662)

30-39 (673)

40-49 (684)

50-59 (706)

60+ (749)

Average credit score by ECONOMIC CLASS

Lower (664)

Middle (716)

Upper middle (753)

Upper (775)

Average credit score by GENERATION

Silent generation (730)

Baby boomers (700)

Gen X (655); Millennials (634)

Gen Z (631)

Source: [Shift Processing](#)

Data-Driven Decisioning Scales FI Growth Profitably

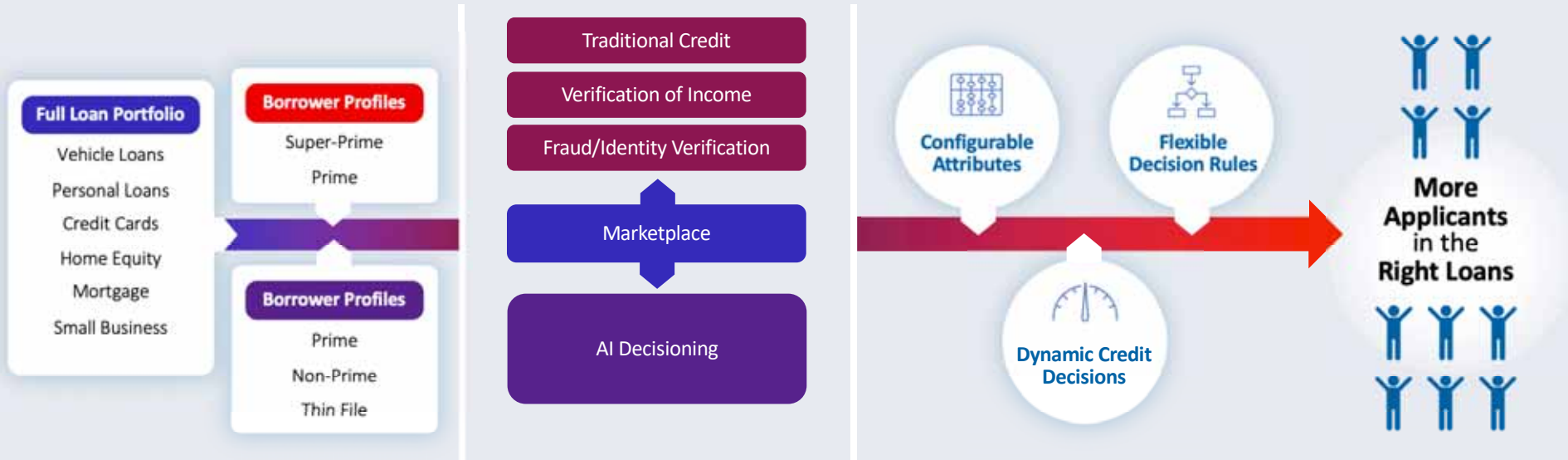
Bundling 3rd party and internal data with AI decisioning broadens the applicant pool and accelerates the origination process profitably

BROAD APPLICANT
POOL

MULTIPLE DATA POINTS TO EXPAND
ACCESS TO CREDIT FOR BORROWERS

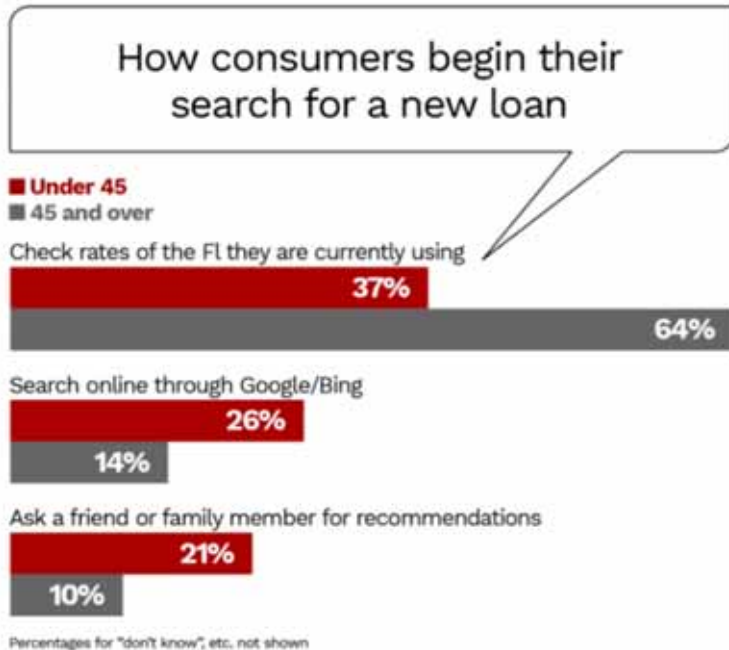
FAST AND AUTOMATED
DECISIONING & RISK PROCESS

HIGHER CONVERSION
& GROWTH



INSTANT DECISIONING ON MORE APPLICATIONS

AI Decisioning + Inclusive Lending



THE FINANCIAL BRAND © May 2022 SOURCE: WebStrategies



Consumers under 45 are much more likely to consider nontraditional sources for loans — including online-only banks and credit unions, fintechs, and payment companies — than are people over 45.

Source: WebStrategies, [The Consumer Banking Preferences & Behavior Report](#)

Success Pillar 3: Demand Creation

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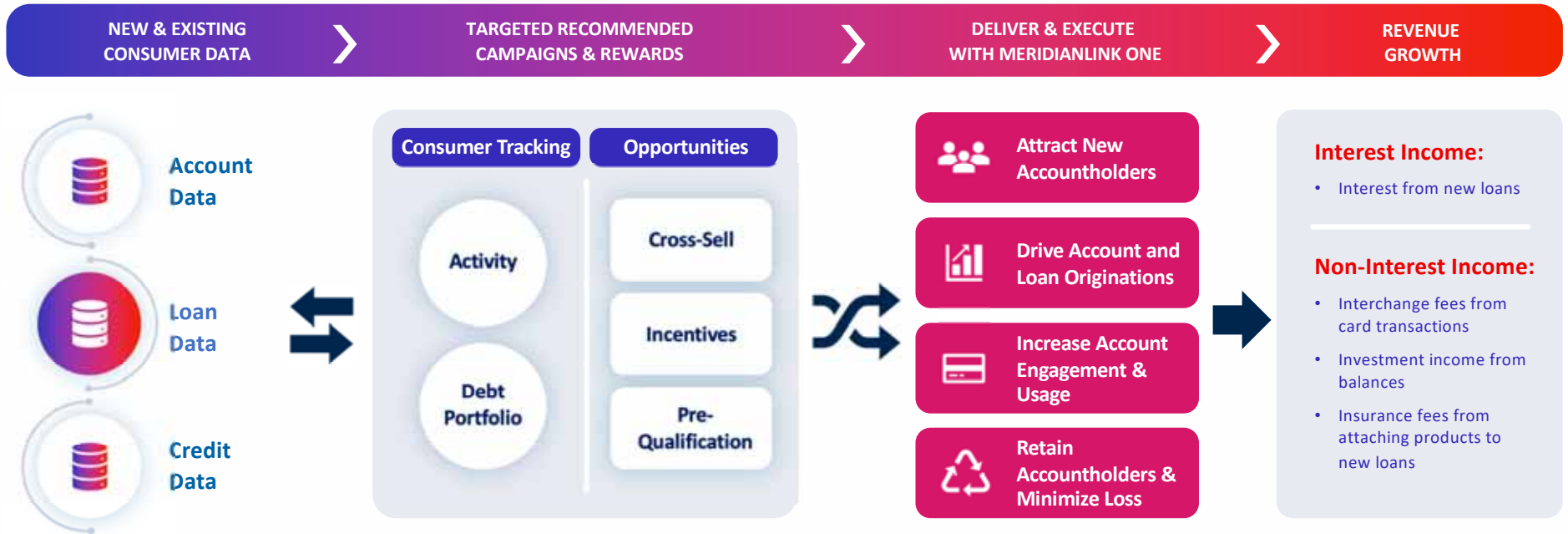
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Demand Creation Model for FIs

Leveraging internal and 3rd party data to deliver consumers what they want where they expect it, increasing interest income and interchange revenues



Data-Driven Personalization Drives Demand

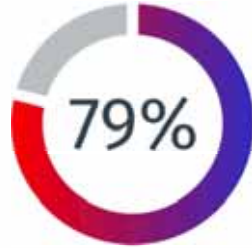


Consumers Expect Personalization



72% of consumers say that personalization is highly important in today's financial services landscape.

Source: Forrester Research



79% of Gen Z consumers would like more personalized offers or information from their financial institution to help them reach their financial goals.



Among consumers who feel valued, **71%** plan to stay with their provider, **87%** will advocate for their provider, and **82%** plan to spend more with their provider.

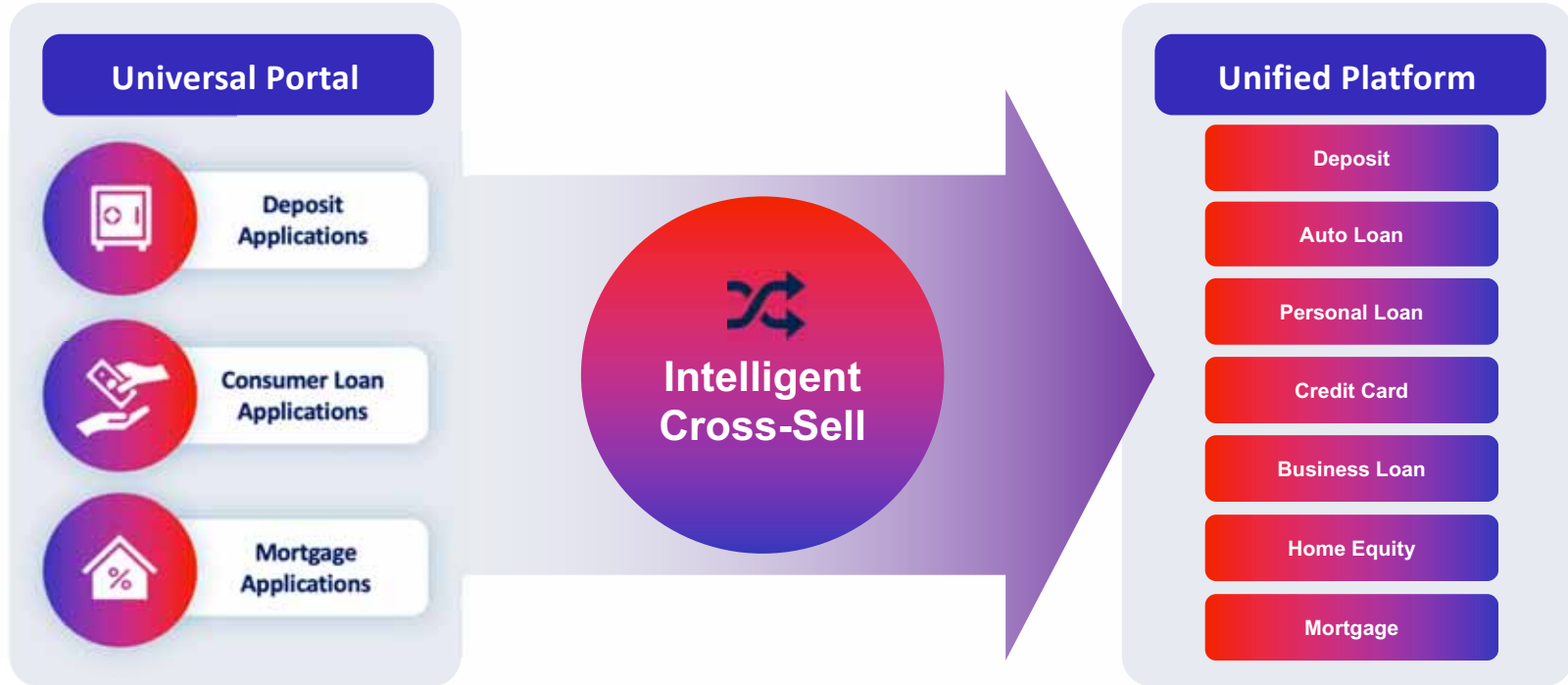


Institutions that put consumer value at the center of personalization efforts generate **5% to 15% higher revenues** from their enhanced campaigns and have halved or quartered their time to market.

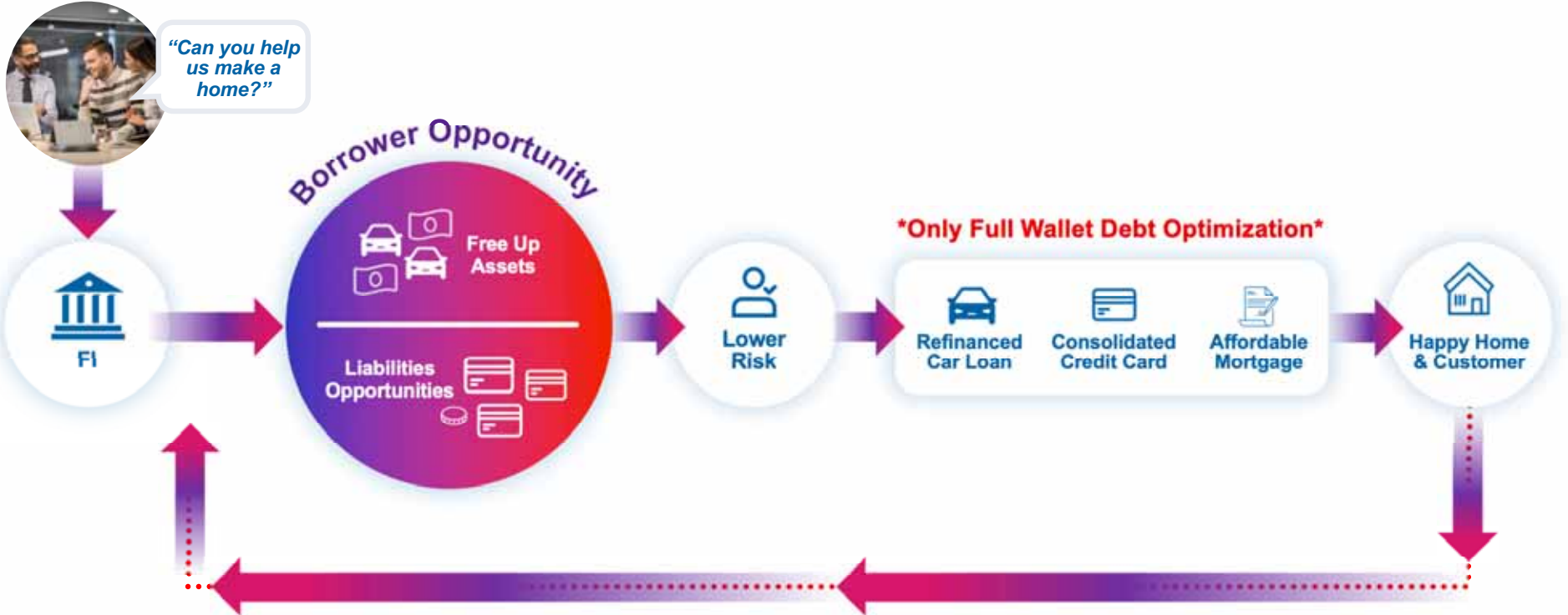
Source: [McKinsey & Company](#)

Cross-Sell Captures Wallet Share

Create opportunities to extend consumer relationship



Optimizing for an Efficient Borrower Journey



Pre-Qualification & Incentives

Personalized communications to highly targeted audiences reduce friction and simplify offer acceptance



Results

- Launching campaigns **15 – 20 days faster** than before
- The streamlined process, prepopulated acceptance forms and additional incentive to transact in the first 3-months of opening resulted in **376%** more credit cards opened year over year and **62%** of cards actively transacting



ACTION ITEM #1

The background of the slide features a dense crowd of stylized human figures. Most figures are dark grey, but one figure in the upper right quadrant is highlighted in a vibrant red color, representing the 'target consumer' mentioned in the text.

Focus:
Define your target
consumer

ACTION ITEM #2

Design:

Start with the ideal applicant journey and modify your processes

ACTION ITEM #3

**Modernize:
Operate like a
digital business**





Questions?

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Thank you!

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