AKOUBA™
by Velocity Solutions

7 Questions to Ask a Prospective Small Business Lending Partner

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For many banks, the technical, financial and staffing obstacles involved in launching small business loan products have created daunting barriers to entry. And the need for small business credit is greater than ever in our post-pandemic marketplace. As demand rises sharply, it creates a fertile breeding ground for new Fintechs who claim they can streamline loan processing time, increase profits of even the smallest loans and improve the entire loan experience for banks and their customers.

But how can you distinguish between achievable goals and lip service? You need to ask the right questions to break through the noise and get real, honest answers. Here are Velocity's top 7 questions to ask a prospective partner when considering a small business lending platform.

1. Do you offer a white-labeled borrower website?

It takes many years to establish a well-known brand identity that your customers recognize and trust, particular in our post-recession, post-pandemic environment. So, it is crucial that any prospective loan origination platforms have the capability to incorporate your bank's branding, color palette and distinct messaging to create a seamless experience for your customers.

2. How long does it take for borrowers to complete and submit a full loan application?

Research shows that one of the top complaints of business borrowers is the amount of time it takes to complete an application. Any digital process will certainly be quicker than a manual method, but every step of the application process should be optimized for efficiency, resulting in a fully submitted loan application within 20 minutes or less.

3. Is the application process straightforward for the borrower and back-office team?

Efficiency can only be achieved if your application is clear, intuitive and helps guide the user along the way. Ask a potential vendor how applicants and your back office can track their progress through the application, and whether the system has measures in place to identify and alert the applicant to inaccurate or incomplete entries

4. How do you ensure that the borrowers are selecting the right loan product?

Your applicants don't know your products as well as you do, so rather than asking them to select a loan product, a top-tier platform will incorporate an automated, intelligent "rules engine." This type of technology gathers pertinent information throughout the application process and selects the most appropriate product(s) based on the applicant's inputs.

5. **Does the system help identify and filter out unqualified applications?**

Once the borrower starts the application, the rules engine should engage and dynamically collect data points to ensure that the application is meeting your specific product requirements. Further, it should evaluate the data against your credit policy to verify the applicant meets your minimum acceptance criteria. The best loan platforms will identify such issues and prevent the applicant from progressing by redirecting them to a different page, product or contact method.

6. **How does your system ensure quality control and prevent fraud?**

Advanced loan technology should integrate into numerous background check sources and employ digital fraud detection using AI-powered captchas, two-factor authentication, etc. Disqualifying criteria should immediately disqualify borrowers, such as zip code, signing rights and industry type. The best systems will ensure that any exceptions are identified and shown to you, so your staff doesn't waste time trying to find them!

7. **Does the platform provide automated document management?**

Secure, efficient document management is one of the most critical functions of digital loan technology. Ensure that all documents are securely uploaded in transit and at rest, that the platform includes a centralized document library to house all documents and the ability to collect any necessary form at the right time and have it electronically signed.

Mike Triggiano is Executive Vice President of Product Management & Corporate Development. He is responsible for setting strategic product vision, new product development, business development partnerships, and merger and acquisition strategy.

Mike is passionate about collaborating with industry partners to forge innovative new solutions for community financial institutions. He vigilantly monitors technological advancements and product developments in the banking and credit union space and stays on top of trends in real-time by consulting with Velocity clients regarding challenges and opportunities they're facing in the marketplace.

About Akouba™ by Velocity Solutions
Akouba™ by Velocity Solutions is a secure, cloud-based digital lending platform for retail and commercial lending. The Akouba platform was built to reduce end-to-end time of loan origination, increase profits and give both borrowers and financial institutions a streamlined experience. Akouba is the only small business loan origination platform endorsed by the American Bankers Association.