Newgen

Loan Automation Software for Coronavirus SME Guarantee Loans

Overview

The Coronavirus Small and Medium Enterprise (SME) Guarantee Scheme, rolled out by the Australian government, aims to provide financial support to small and medium sized enterprises across Australia that are losing revenue and seeing their cashflow disrupted during the crisis. Therefore, both the scheme-accredited lenders and prospective lenders must be prepared to handle the upcoming influx of SME loan requests quickly and efficiently.

Newgen's lending software, for loans under the Coronavirus SME Guarantee Scheme, has been designed to be deployed within hours and to help financial institutions in disbursing a large volume of loans to small and medium businesses.

More than 2 million SMEs across Australia can apply for the Coronavirus SME Guarantee Scheme, which is offering loans of up to $250,000. The loan can be availed from any of the six accredited lenders, with more in the process of getting approval.

The Need of the Hour

Under this scheme, the accredited and prospective lenders across Australia are in the process of adapting to the SME Loan Guarantee Standard EOI Document, while also dealing with challenges related to technology and operational readiness. Therefore, financial institutions must act now to support their small business customers, who will be applying for loans under the Coronavirus SME Loan Guarantee Scheme.

Newgen Loan Automation Software for Coronavirus SME Guarantee Loans

Newgen's software enables financial institutions to manage their end-to-end lending process in a simplified manner. It facilitates the onboarding of all types of loans under the Coronavirus SME Guarantee Scheme, including term loans, overdrafts, invoice finance, and asset finance.

The software streamlines the inflow of applications from various sources, such as email, online application, mail, and more. The rules-based engine enables intelligent process routing, leading to faster and more accurate management of loan applications.

Key Challenges Faced

✓ Handling the spike in applications while adhering to regulatory compliance

✓ Maintaining optimal onboarding time

✓ Absence of real-time SME guarantee loan eligibility criteria as per the bank's guidelines

✓ Limited digital options for loan application and document upload

✓ Keeping customers well-informed

Who All Are Eligible for Coronavirus SME Guarantee Loan?

To be eligible for a facility under this scheme, organizations must:

- Be Australia-based in their business activity with a valid Australian business number (ABN)

- Have an annual turnover of no more than $50 million

- Have a borrowing proposal which the lender would consider viable, were it not for the current pandemic
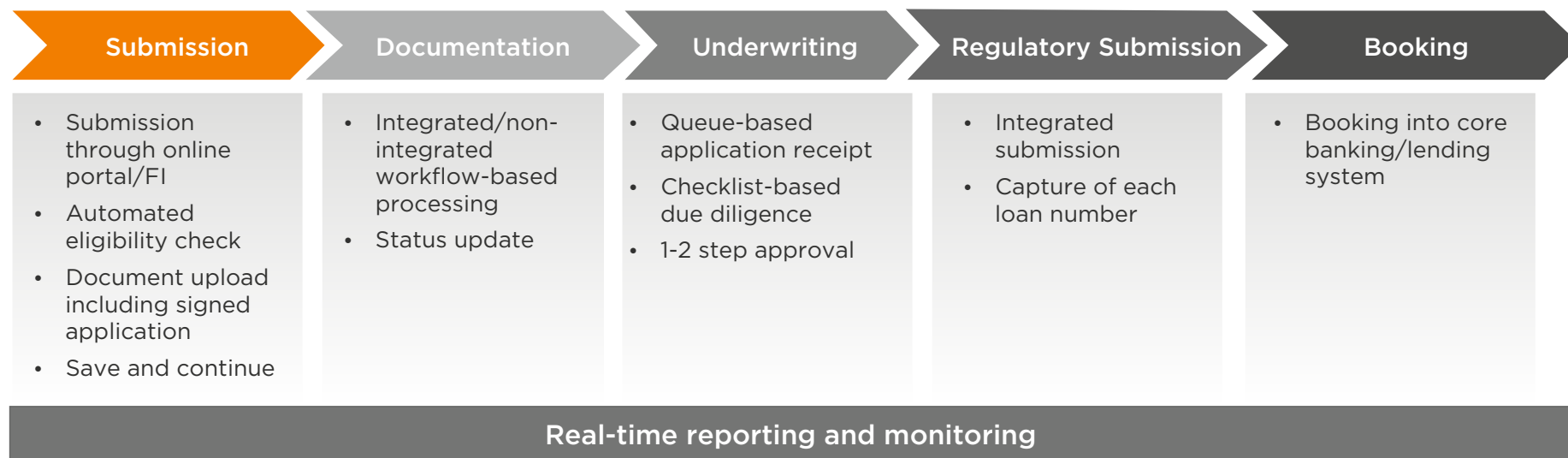
Core Functionalities of the Software

- **Multi-mode request initiation** – Allow the submission and initiation of requests through the online portal, electronically-filled PDFs, and scanned applications

- **Automated eligibility checking** – Allow users to instantly perform the Coronavirus SME Guarantee Scheme eligibility checks based on the entity type, pre-qualification questions, etc.

- **Document management and extraction** – Easily archive and retrieve documents. Extract data from PDF files while supporting the auto-filling of applications

- **Robust integration** – Allow for seamless integration with ABN lookup and other third-party systems

- **Pre-qualification criteria** – Leverage specific questions/prequalification criteria available as part of the checklist

- **Auto-loan calculation** – Compute the maximum loan amount based on pre-defined rules

- **Simplified forms** – Leverage a specialized and easy-to-access form to onboard customers in a seamless manner

- **Status tracking** – Keep track of important processes, such as due diligence, underwriting, documentation, booking, disbursement, etc.

- **Comprehensive reporting** – Generate comprehensive reports for informed decision-making in different formats

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More About the Scheme

The Coronavirus SME Guarantee Scheme will provide small and medium sized businesses with timely access to working capital to help them get through the impact of the coronavirus. The Australian government will provide eligible lenders with a guarantee for loans with the following terms:

- SMEs, including sole traders, with a turnover of up to $50 million

- Maximum total size of loans of $250,000 per borrower

- Loans will be up to three years, with an initial six-month repayment holiday

- Unsecured finance, meaning that borrowers will not have to provide an asset as security for the loan

- The decision on whether to extend credit, and management of the loan, will remain with the lender

Submission	Documentation	Underwriting	Regulatory Submission	Booking
• Submission through online portal/FI • Automated eligibility check • Document upload including signed application • Save and continue	• Integrated/non-integrated workflow-based processing • Status update	• Queue-based application receipt • Checklist-based due diligence • 1-2 step approval	• Integrated submission • Capture of each loan number	• Booking into core banking/lending system

Real-time reporting and monitoring

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Why Newgen Loan Automation Software for Coronavirus SME Guarantee Loans?

Fast & simplified processing	Process standardization and optimization	Enhanced productivity	Digital customer onboarding	Automated eligibility checking of applicants	Cloud-based deployment

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www.newgensoft.com