



Co-lending Solution Brochure

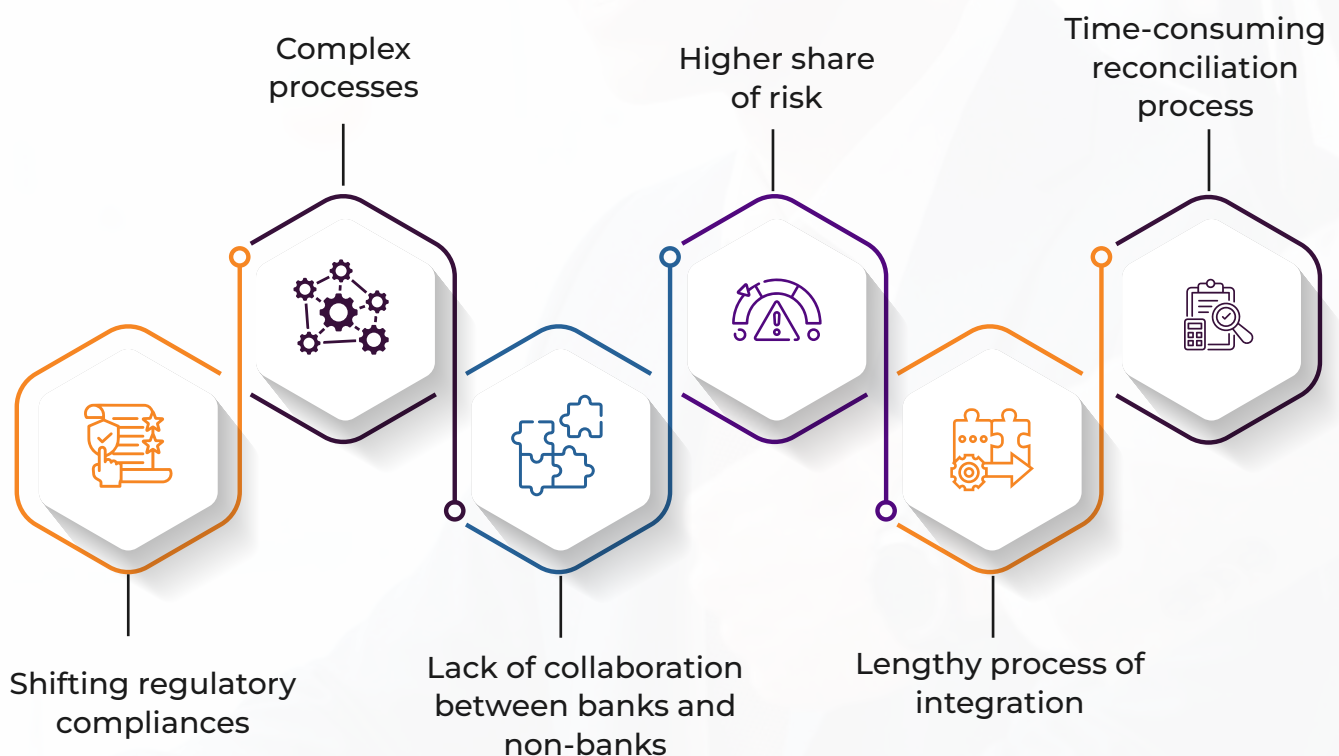


When banks and non-banks join hands to co-lend to the priority sector, what they have in mind is a seamless and hassle-free co-lending experience. But that can prove to be tricky. Due to the multiple parties involved, the process of credit assessment, disbursement, and collection often ends up taking place in silos, which makes it difficult for both to stay in sync with the RBI regulations.

At Newgen, we understand the exclusive requirements of both the banking industry and the RBI, and to fulfill these requirements and make the process seamless for banks and non-banks, we have designed a comprehensive **co-lending solution**.

Our solution is a one-stop-shop for banks and non-banks to seamlessly collaborate and expedite their end-to-end co-lending journey, from partner onboarding to loan disbursement and post-disbursement activities.

Challenges Faced by Banks and Non-banks



Newgen Co-lending Solution

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By leveraging the solution, you can:

- Ensure straight-through and non-straight-through-processing of loan applications across product lines
- Speedily initiate loan applications with an omnichannel portal
- Automate the complete credit policy process without any manual intervention
- Seamlessly integrate with third-party applications to support all new and existing customers
- Configure rules for eligibility verification of partners

Solution Highlights

Swiftly Onboard Partners with a Self-onboarding Portal or via Branch

Partner Self-onboarding: Partners can swiftly self-onboard themselves on the portal by updating their required information and documents, including the certificate of corporation and ITR. The solution allows the bank to capture the partner's basic information and compute their financial information through integrations like CRAR%, total income, and PAT% to easily filter out non-eligible partners. Upon partner verification, all the captured information is pushed to the branch office for further processing.

Partner Branch Onboarding: The seamless integration between portals and branch channels allows the partner to seamlessly be onboarded onto the branch office. The partner can source the data from any channel. The onboarding is followed by a bank guideline-based master agreement to confirm all the terms and conditions, portfolio-level information, products aligned with the partner, etc.



Perform Splitting of Funds

Escrow Account Funding: The solution swiftly manages the to-and-fro communication between the bank and the partner for the pooling of funds. Upon confirmation by the partner regarding the fund transfer, the solution releases the bank's share of funds into the Escrow accounts via cash, cheque, auto-debit, and NEFT for disbursement to the end customer. A repayment schedule is generated based on the share of the partner, bank, and Escrow. Tranche disbursements are also supported.

Due Payment Details Set Up: Prompt set up of the next due payment schedule and the expected fee charges of the end customers. The funds are split and distributed to both the bank and partner based on the RBI-specified risk share.

Unified Account Statement Generation: Provision to generate unified and separate account statements, based on the tri-partite agreement between escrow, bank as well as non-bank partner.

Ensure Pooling and Reconciliation of Data

Pooling of Data: Leads can be uploaded in bulk for further processing via; XML, API, etc. The solution also allows for single-click generation of bulk applications to branch users for further assessment. It can easily filter out customer data based on certain criteria and create a pool of customers for each partner.

Auto Reconciliation: Reconciliation of data is automatically performed between the escrow account, bank, as well as non-bank account based on logic, unique IDs, transaction data, etc. This ensures that the data of all parties is in sync, without the need for manual intervention. The solution also allows for the uploaded partner data to be easily extracted for reconciliation.

Manual Reconciliation: In case the data cannot be auto-reconciled, the user can manually reconcile the data; with a single click. The solution also has a provision for discrepancy management, in case the data cannot be manually reconciled.



Leverage the Partner Self-servicing Portal

Partner Authentication: Dual factor authentication is enabled for portal login; to ensure optimum security.

Application Initiation: The portal allows the partner to easily initiate customer applications for multiple products and capture basic information and related documents.

Document Upload: The underlying document classifier of the solution allows for all related documents to be updated and classified and makes it easy for the user to request any pending documents.

Verify Applicant Eligibility and Perform Loan Processing with Ease

Loan Initiation: Branch users can easily initiate the processing of the loan request by selecting the product; and performing a financial analysis of individual and business customers based on bank statement analysis, income statement analysis, payslip analysis, etc.

Eligibility Verification: With readily available integration adaptors, the solution can easily perform GST, CIN, and KYC verifications to confirm applicant eligibility. The branch user can also perform parallel case routing to complete third-party verifications.

Credit Underwriting: Once all checks are completed, the case is pushed to the credit team to complete the credit assessment; based on internal scoring. The solution's AI-enabled calculator can predict the probability of defaults; and automatically calculate the maximum permissible amount to be disbursed to the end customer. Generation of CAM documents to ensure a 360' view of the application.

Approval Mechanism: With its underlying process designer, the solution can easily incorporate all sequential and parallel approvals. The maker/checker process is followed for approvals to mitigate the risk of errors.



Track Performance with Reports and Dashboards

Repayment Schedule Generation: 360-degree view of repayment schedule generated for the assessor, including updates on loan repayment, fee, and charges payment, and next due payment status. The solution also maintains audit trails to prevent fraud and ensure better security.

Reports and Dashboards: The solution's inbuilt business activity monitoring module can configure over 20 reports for use, including reports on onboarding partners, amount-wise partner portfolio reports, profit reports, and branch-wise partner reports. User-specific dashboards are available to get a 360-degree view of the application status and track the number of cases in progress, cases being processed, the performance of the leads, and more.



Bridge the Gap Between Banks and Non-banks with Newgen

- End-to-end automation of the co-lending cycle
- Self-onboarding portal for agile and seamless onboarding of partners
- Ease in collaboration due to seamless integration with third-party applications
- Adherence to regulations and compliance with a fully RBI-compliant solution
- Fast and efficient account funding
- Minimized errors with auto/ manual reconciliation of data
- Reduced manual data entry with auto-update and capture of customer data
- Fraud resilience with the maintenance of audit trails
- Enhanced customer experience

Newgen – Transforming Banks Globally

50% ↓

operational
costs

80% ↓

in process
TAT

75% ↑

in tracking
and monitoring
of loan
applications

**TAT
90-95%**

improvement
in
first-time-right

99% ↑

quality and
compliance

About Newgen

Newgen is the leading provider of a unified digital transformation platform with native process automation, content services, communication management, and AI/ML capabilities. Globally, successful enterprises rely on Newgen's industry-recognized low code application platform to develop and deploy complex, content-driven, and customer-engaging business applications on the cloud. From onboarding to service requests, lending to underwriting, and for many more use cases across industries, Newgen unlocks simple with speed and agility.

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