

SME and MSME Loan Automation Software for COVID-19 Emergency

Credit Line Application (CECL) Processing

Overview

In a bid to help banks and financial institutions (FIs) in processing and disbursing a large volume of loans to individuals and small businesses, the Government of India and Reserve Bank of India (RBI) have launched multiple schemes. The objective is to enable them to help individuals and small businesses in dealing with the adverse financial impact of the COVID-19 pandemic.

- ₹3 lakh crore collateral free automatic loans for micro, small and medium enterprises (MSMEs) and businesses
- ₹20,000 crore subordinate debt for MSMEs
- ₹50,000 crore equity infusion through MSME fund of funds
- ₹30,000 crore liquidity facility for non-banking financial corporations (NBFCs)/housing finance companies HFCs/microfinance institutions
- ₹45,000 crore partial credit guarantee scheme 2.0 for NBFC



The Need of the Hour

Banks and financial institutions must be prepared to manage the expected increase in loan applications from their existing customers and new prospects with speed and accuracy while adhering to the regulatory guidelines.

Newgen's SME and MSME loan automation software for CECL application processing has been designed to help FIs in quickly ramping up on Newgen's cloud platform. The software efficiently handles the bulk application load using a self-service portal and enables quick straight-through processing (STP). The software can be deployed within 3-4 days.

Newgen's SME and MSME Loan Automation Software for CECL Application Processing

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

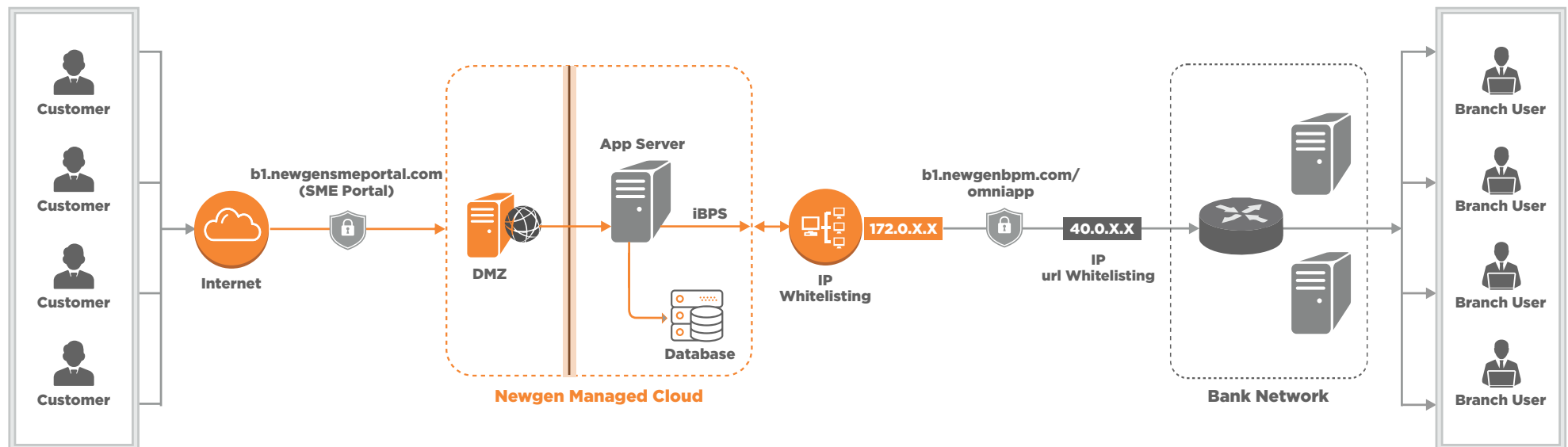
The software streamlines the inflow of applications from various sources, such as email, online application, mail, and more. The rules-based engine enables intelligent process routing, leading to faster and more accurate management of loan applications.

Key Challenges Faced by Banks and Financial Institutions

- Handling a large volume of applications
- Adhering to regulatory compliance
- Maintaining optimal onboarding time
- Absence of real-time CECL eligibility checks
- Limited digital options for loan application and document upload
- Keeping customers well-informed
- Manual computing of approved loan amount
- Handling the infrastructure and backend bottlenecks

Core Functionalities of the Software

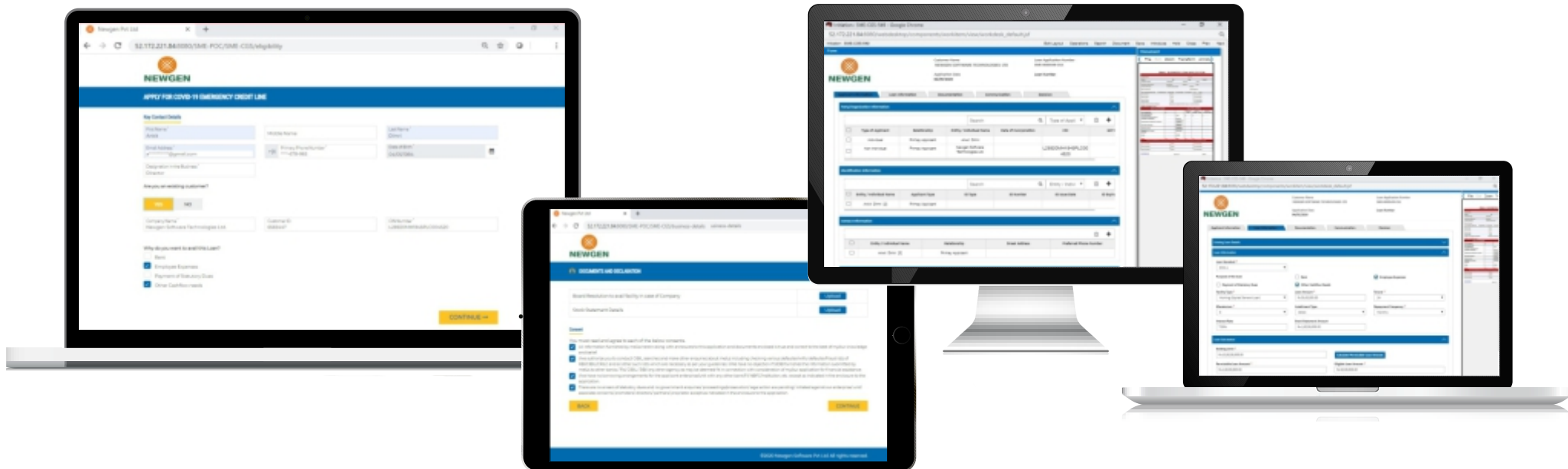
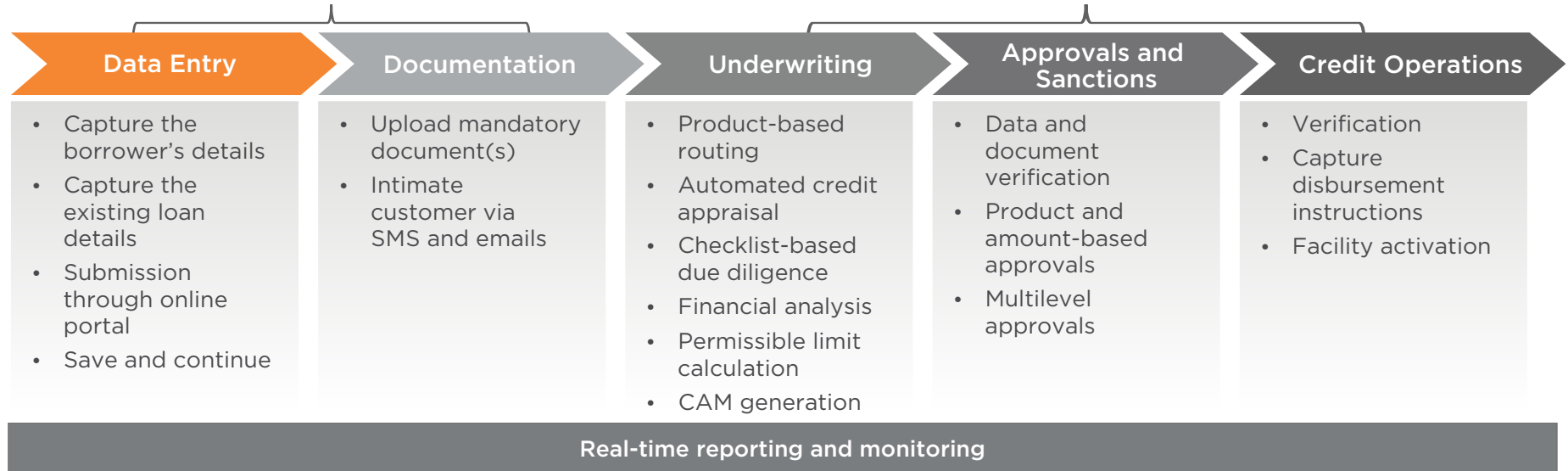
- **Multi-mode request initiation** – Allow the submission and initiation of requests through the online portal, electronically-filled PDFs, and scanned applications
- **Automated eligibility checking** – Allow users to instantly perform the required eligibility checks based on the entity type, pre-qualification questions, etc.
- **Document management** – Ensure archival and retrieval of documents
- **Robust integration** – Enable seamless integration with the 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 process loans in a seamless manner
- **Status tracking** – Keep track of important processes, such as due diligence, underwriting, booking, disbursement, etc.
- **Comprehensive reporting** – Generate comprehensive reports for informed decision-making in different formats



Newgen's SME and MSME Loan Automation Software for CECL Application Processing Model

Customer Facing Portal

Back-office Workflow



Newgen's Software for CECL Application Processing Model

Why Newgen's SME and MSME Loan Automation Software for CECL Application Processing?



Cloud-based deployment
for faster go-to-market



Straight-through processing
of loan applications



Self-service portals
for addressing a high
volume of applications



Real-time
eligibility check



Process standardization
and optimization



Multilevel approval
depending on scheme,
segment, and loan amount



Digital customer
onboarding



Successful implementations
of such PaaS/SaaS
systems globally

Newgen has deployed COVID-19 response software in several leading banks globally,

US: Newgen Loan Origination Software for SBA Paycheck Protection Program

UK: Newgen CBILS Quick Loans Onboarding Solution

Australia: Newgen Loan Automation Software for Coronavirus SME Guarantee Loans

“Initially, we were looking for a technology partner to help us with the PPP loan forgiveness requests. However, our interactions with our industry peers made us aware of the potential challenges related to the manual submission of applications. We are glad that we chose Newgen for its API-based E-Tran integration capability that helped us in reducing application submission time to under a minute. Newgen's product helped us in processing all the applications in our pipeline, thereby ensuring funding for all our customers, and allowing us the opportunity to serve new customers. ” - Mitch Cook, Senior Regional President, MidWestOne Bank



About Newgen

Newgen Software is a vendor/provider of Business Process Management (BPM), Enterprise Content Management (ECM), Customer Communication Management (CCM), Document Management System (DMS), Workflow and Process Automation software. The company has a global footprint in over 66 countries with large, mission-critical solutions that have been deployed in Banks, Insurance firms, BPO's, Healthcare Organizations, Government and Telecom Companies.

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