

How agentic credit decisioning expands lending frontiers

At the moment of truth, the decision to approve or decline credit, many institutions are still bound to rules written for a different world

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Banks and financial institutions have poured billions into digital transformation for over two decades. Customer touchpoints are slicker, loan applications are paperless, and engagement channels are omnipresent. Yet, many institutions default to credit rules built when nine-to-five jobs were the norm, when customers could be neatly profiled by paystubs and utility bills, and when branch banking was the primary interface. Today's customers are gig workers, small entrepreneurs, global freelancers, and micro-innovators. A single number or rigid threshold can't capture their creditworthiness—too often, the decisioning frameworks that determine their financial future are still locked in the past.

The irony? We have the data, we have the tools, and customers have higher expectations than ever before. But instead of lending smarter, institutions often find themselves trapped in a binary loop: say 'no' too often and watch valuable customers walk away or say 'yes' too freely and hope the defaults don't pile up. Neither is sustainable.

When digital isn't intelligent

Most large banks now run modern origination platforms and maintain multi-channel engagement. Some even employ predictive scoring models. But behind these front-end innovations, the core credit decisioning engine is often an intricate Jenga tower of legacy code, rigid rules, and manual overrides.

The result is predictable:

Slow processes – Decisions can take hours or days due to fragmented data and manual checks.

Inconsistency – Borderline cases get treated differently across branches and channels.

Limited reach – Traditional frameworks struggle with non-standard income proofs, cutting off access for new-to-credit customers.

Customer friction – Drop-offs increase when decisioning isn't transparent or timely.

The real challenge isn't a lack of ambition; it is infrastructure that can't keep up with the ask. And the cost isn't just operational inefficiency; it's missed opportunities in high-growth segments.

From siloed judgment to agentic intelligence

The strategic shift in forward-looking institutions is toward agentic



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credit decisioning, a model in which human judgment is augmented by machine precision and the decisioning framework is instant, explainable, and audit-ready.

Agentic systems don't replace underwriters; they make their jobs easier. They aggregate richer data, from bureau scores to mobile payment patterns (with consent), and run it through multiple models tuned to a bank's risk appetite. They apply codified credit policies instantly but allow real-time updates without a months-long IT cycle. They keep a complete, transparent record of every action and every override.

Most importantly, they make it possible to say 'yes' to the right customers more often, without weakening the guardrails that protect the portfolio.

Why this matters now

Across the globe, lending is entering a new competitive phase. Everyone is moving toward digital-first, data-based lending. Challenger banks and FinTechs are already testing innovative models for thin-file customers, embedded finance, and buy-now-pay-later (BNPL) offerings. For incumbents, the question isn't just how to approve loans faster; it's how to do so with greater precision, fairness, and adaptability.

Institutions that crack this will enjoy a first-mover advantage:

“Agentic credit decisioning helps institutions say ‘yes’ more often—without increasing risk.

Deeper customer relationships – Moving beyond transactional lending toward lifecycle engagement.

Expanded market reach – Serving creditworthy individuals and businesses outside the traditional profile.

Faster time-to-value – Reducing the lag between investment in decisioning systems and measurable business impact.

A day in the life: Before and After

Consider a mid-sized lender evaluating a loan application from a small-business owner with seasonal income and no conventional credit history.

Before: The application pings between departments. The rules engine rejects it due to missing documentation. A manual review is triggered, adding days to the process. By the time an exception is approved, the customer has gone to a competitor.

After (Agentic Decisioning): The system ingests alternative data like digital sales records, utility payment history, and mobile transactions alongside traditional credit metrics. Policies coded into the decisioning layer evaluate risk holistically. The underwriter sees an explainable recommendation, complete with data sources and rationale. Decision in minutes, customer retained.

Explainability and Governance are non-negotiable

Speed is only valuable if you can stand behind the decision. Modern credit systems must be able to answer not just why a loan was approved or declined, but how, and prove it was fair.

That means:

- Transparent models where both AI predictions and traditional scores can be interrogated.
- Complete audit trails for every action, policy check, and human intervention.
- Privacy by design, using only authorised data with robust controls.
- The ability to adapt to changing regulations without ripping out core systems.

Without this level of governance, institutions risk regulatory exposure and erosion of customer trust, both far more costly than a missed deal.

The Enterprise imperative

For banking leaders and FinTech innovators, the stakes are high. The



institutions that will lead in the next decade are not just those with the fastest onboarding or the sleekest mobile app—they’re the ones that embed intelligence into the very core of decision-making.

That means moving away from treating credit decisioning as a back-office function and toward recognising it as a growth engine. It’s the system that determines who you serve, how quickly you expand, and how confidently you can take on risk.

The challenge isn’t merely digitising old rules—it’s reimagining judgment for a world where customers and markets move faster than ever.

Forward looking

We’re standing at a point where technology and human expertise can finally operate in true partnership. AI can process vast volumes of data, learn from patterns, and surface nuanced recommendations. Humans bring the contextual understanding, ethical oversight, and strategic direction that no algorithm can replicate.

Bringing these together in a cohesive, agentic credit decisioning framework isn’t just a technical upgrade—it’s a strategic leap. It means faster, fairer, more consistent decisions. It means unlocking markets previously out of reach. And it means building the kind of trust with regulators, customers, and shareholders that sustains growth.

The winners will be those who don’t just digitise faster ‘yeses’ but build the capacity for smarter, braver, and more transparent judgment at scale.