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Abstract

At a time when virtually every consumer is connected to each other and to their primary financial institution digitally, ease of application and speed of process are the two most important components to success. Unfortunately, the application process and 'time to cash' at many banks and credit unions is both antiquated and unacceptable.

Since credit is at the forefront of most customer relationships, more and more financial institutions are transforming their entire customer journey for credit, bringing 'time to yes' down to minutes, and their 'time to cash' to hours. The result is the potential for revenue growth, cost savings and a level of satisfaction similar to new digital lending organizations that are changing the competitive landscape.

Moving from paper-based to digital lending solutions is becoming the norm for most financial services organizations. The definition of 'digital lending' differs significantly, however, from institution to institution. The biggest difference is in how extensively back office processes are disrupted to deliver a true digital solution (as opposed to simply using digital versions of paper forms). Another key difference is determined by the level of executive support and whether the culture of the organization supports digital innovation.

In the most advanced organizations, applications can be submitted with a few swipes on a mobile phone, and time to cash can be as short as a few minutes. While mortgage lending is more complex, firms such as Rocket Mortgage have digitized large parts of the customer journey. Even small business lending is being digitized.

But most traditional financial institutions are playing catch up, with agile fintech firms already offering frictionless digital propositions with shorter approval and disbursement times.

To determine the potential of digital lending and the strategies being used to simplify the overall loan process, we conducted research of financial institutions globally. In addition, we looked for additional insights from other sources and looked at the competitive playing field to help organizations be better positioned for the future changes in the digital lending ecosystem.

We would like to thank **Meridianlink** who sponsored the 2019 Digital Lending Review. Their partnership has enabled us to create benchmarking of the expansion of digital lending solutions in banking and to better understand the impact on the consumer.



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