

IMPROVING LOAN PROCESSING EFFICIENCY FOR ALTERNATIVE LENDERS

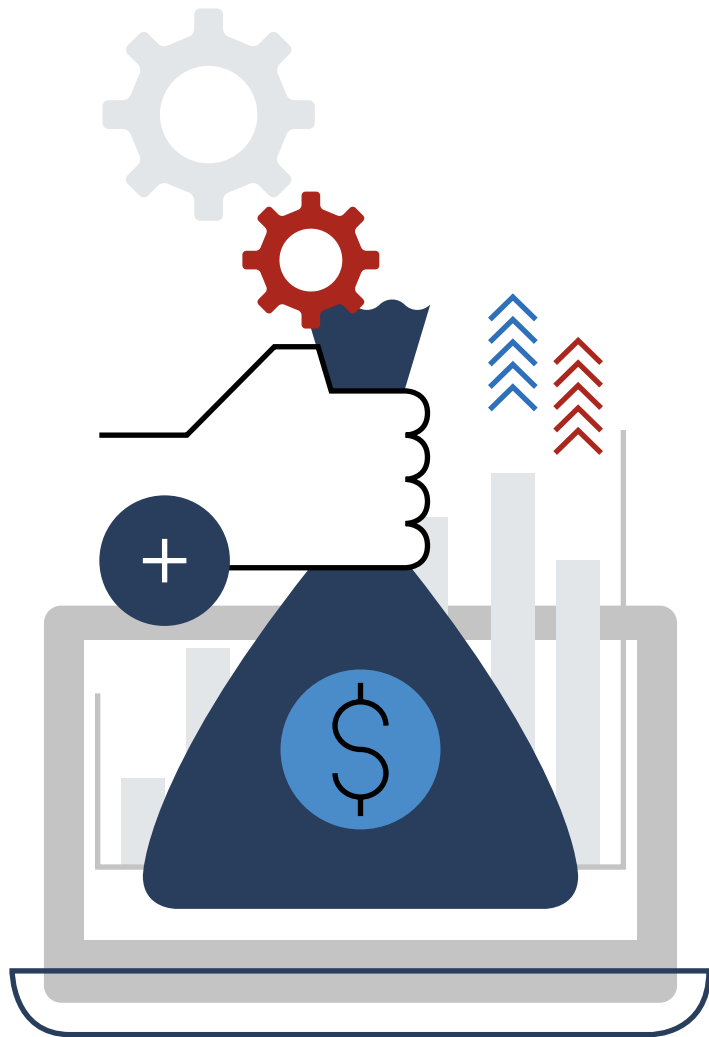


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Surveying the lending landscape

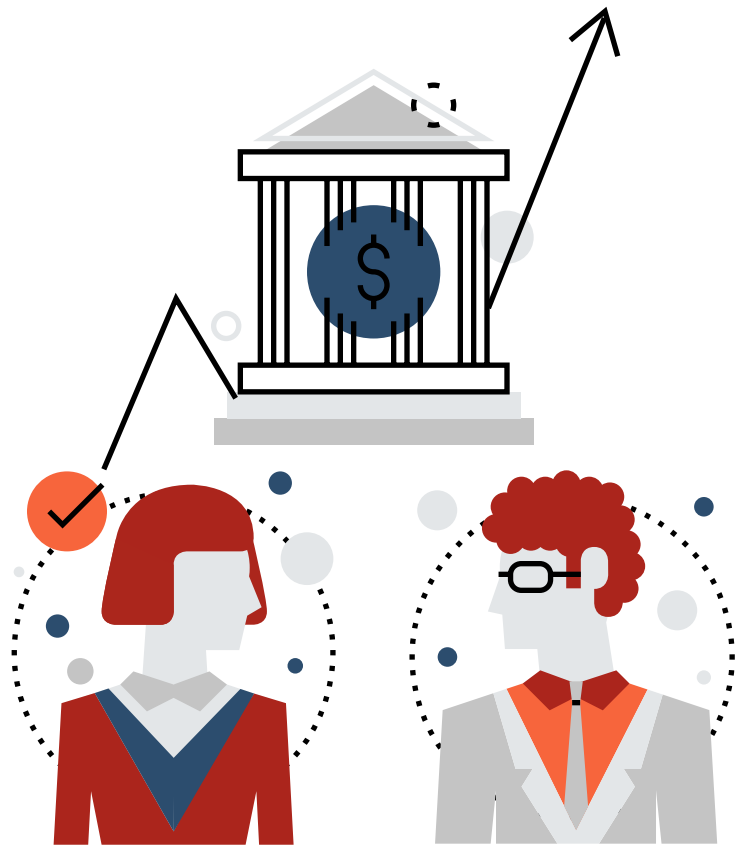


Small-business owners no longer limit themselves to big banks in their pursuit of financing. The restrictive lending standards and institutional distrust in the wake of the 2008 financial crisis are only two reasons why alternative lenders are becoming much more popular.

Ernst & Young defines alternative lending as “a growing industry of digitally based lending platforms for different borrowing needs, including consumer, small and medium enterprise [loans], student loans and mortgages.”

Application and approval rates for these firms rose in the early 2010s but have since plateaued. To meet the challenge of cost improvement and fluctuations in expectations or market demand, lenders must adopt accurate, efficient application processing - and ARDEM can provide it.

Context and challenges

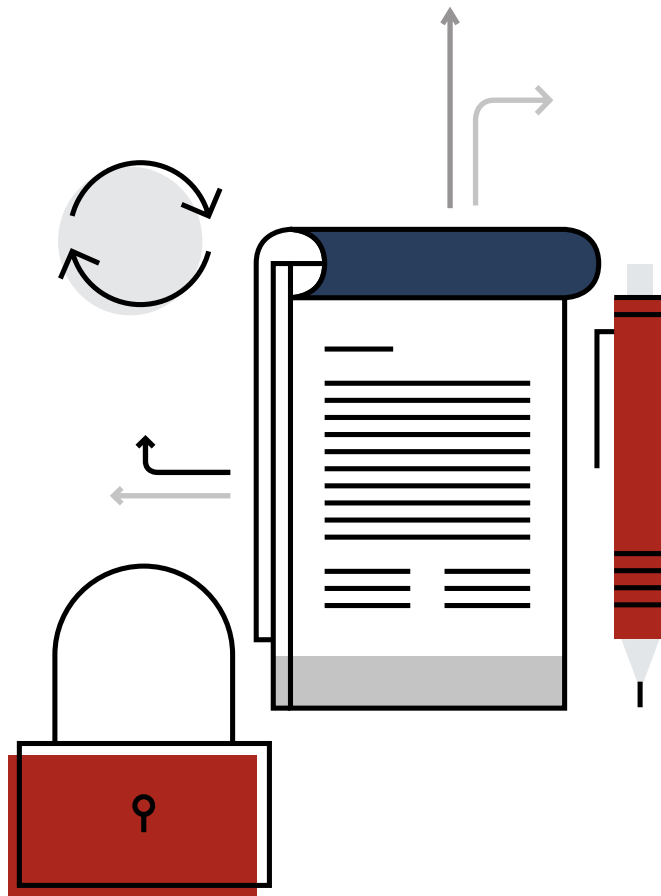


The previously mentioned increase in alternative lender application volume isn't a stable enough trend upon which to base an entire strategy. After all, the financial universe changes quickly. Biz2Credit's Small Business Lending Index, often cited as a reliable barometer of the field, pointed out that approval rates at these institutions remained positive in 2016 and much of 2017 through the second quarter. However, they seesawed between approximately 60 and 57 percent during this period while slowly dropping, as big banks realized that small-business owners are excellent prospects.

Entrepreneurs must go where funding is available. To remain neck and neck with traditional banks, alternative lenders must distinguish themselves from the pack through reliability.

Efficient loan application processing and servicing can help them stake a strong claim against competition.

Efficacy through efficiency



Loan officers at alternative lending institutions can streamline their duties by outsourcing all processing responsibilities to ARDEM.

Perhaps most importantly, lenders can rest assured of speedy and accurate loan application processing, reducing the potential for errors down the line in the approval process.

With processing needs addressed, lenders will have additional time to perform due diligence regarding small-business loan applicants, helping to safeguard the institution from unnecessary risks.

Real-time processing for reduced cycle times



When lenders use ARDEM's configured platform, real-time processing extracts essential data from borrowers' loan applications and returns this information to the lender's network. This functionality reduces application processing cycle time, which could mean faster approvals and higher processing volume.

Lenders can experience immediate advantages by saving man-hours and money even amid varying application volumes, which can change drastically from week to week.

Also, the scalability of ARDEM's platform ensures our services remain a reliable resource as institutions grow. Borrowers benefit by virtue of expedited processing and the guarantee that their information is in good hands. Efficient loan application processing and servicing can help them stake a strong claim against competition.

Aiding aggressiveness



The competition for space among all institutions within the lending sphere is fierce. This point holds true for traditional banks attempting to reassert dominance as well as institutions within the alternative lending ecosystem. While the field of available borrowers is effectively limitless - non-traditional lenders can't play a long game against their banking competitors and hope for the best. They must move aggressively because their standing in the market is never guaranteed, and any chances at process improvement that can benefit the bottom line are worth taking.

Through partnering with ARDEM, alternative lenders can simplify their operations, increase accuracy and efficiency, bolster their revenue, improve approval cycle times and establish themselves as reliable sources of working capital for small businesses.



Contact: www.ardem.net | 888.359.2679



SOURCE: <http://www.biz2credit.com/small-business-lending-index/april-2017>

[http://www.ey.com/Publication/vwLUAssets/ey-understanding-alternative-lending/\\$File/ey-understanding-alternative-lending.pdf](http://www.ey.com/Publication/vwLUAssets/ey-understanding-alternative-lending/$File/ey-understanding-alternative-lending.pdf)

<http://www.pymnts.com/news/b2b-payments/2017/biz2credit-tells-banks-to-stop-focusing-on-millennials-instead-look-for-small-business-borrowers-for-loan-applications/>