



BorrowerCheck™
IncomePass™



Transformative Partnership:

How Point Predictive's Solutions and Tekambi's Origin8 Propelled a Lender's Monthly Fundings by 26% and Slashed Monthly First Pay Default by 11%



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Executive Summary

A lending entity ("Lender") with a decade of experience and operations spanning 30+ states sought to refine its lending operations. By deploying Tekambi's Origin8 platform and integrating Point Predictive's IncomePass™ and BorrowerCheck™ solutions, the Lender aimed to enhance its practices. With a focus on sustainable auto funding and boosting conversions while curbing losses, the Lender utilized Point Predictive's innovations seamlessly through the Tekambi Origin8 platform, a Lendsuite Software solution.

The Challenge

At the start of the pilot program, Lender faced a critical juncture in optimizing its lending operations, marked by low conversion rates of **19%** and first-pay default rates averaging **15%** monthly. Compounded by the necessity for manual vetting through its call center, the Lender's efforts to streamline operations and automate originations were hindered, especially by the escalating trend of late-stage defaults from Q4 2022 onwards.

In response to these challenges, the Lender set ambitious benchmarks for the pilot program: reducing overall defaults by at least **10%**, increasing loan conversion by **20%**, and minimizing friction by decreasing reliance on call center origination practices.

We are thrilled with the impact of incorporating Point Predictive's solutions into the waterfall. The integration into Tekambi has been a game-changer for our lending business, enhancing efficiency and profitability beyond our expectations.

Lender



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The Approach

Lender partnered with Point Predictive and Tekambi to seamlessly integrate two AI solutions into their Origin8 installation. BorrowerCheck was deployed to assess loan leads for fraud using Point Predictive's proprietary data repository, including identity, income, and employment risk flags.

Additionally, IncomePass was integrated to validate borrower-stated incomes within a **15%** margin, leveraging historical salary data and machine learning models. These solutions were introduced into the top of Tekambi's waterfall in shadow mode, ensuring a smooth transition without disrupting Lender's production environment and facilitating an unbiased analysis of their efficacy against the incumbent data vendor stack.

The Results

Within the first **60 days** of the pilot program, Tekambi Origin8 and BorrowerCheck + IncomePass accomplished the following for Lender:

- ▶ Recognized a previously unidentified population of **2.8%** qualified leads for potential purchase each month to swap in higher quality lead purchases.
- ▶ Focused purchases on the lowest risk, 15% of potential leads, resulting in a **26% increase** in fundings per month.
- ▶ The change in waterfall demonstrated a reduction in first pay default and charge-offs, giving Lender the confidence to bypass the call center origination step on **25%** of funded loans.

Performance Enhancement Snapshot

Previous Portfolio Default Rates:

14.87%

First Pay Default



BorrowerCheck + IncomePass on
New Low Risk Population

11.29%

First Pay Default

Conclusion

By integrating Point Predictive's solutions via Tekambi's Origin8, Lender exceeded targets, achieving a **26% increase in monthly fundings** and **slashing monthly first-pay default by 11%**. Leveraging BorrowerCheck and IncomePass, Lender identified untapped qualified leads, enhancing lead quality and streamlining operations, signaling a significant advancement in its lending practices. This transformative partnership underscores the power of innovative solutions in driving sustainable growth and operational efficiency within the lending industry.

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