



Account aggregation and the lending experience



Introducing:

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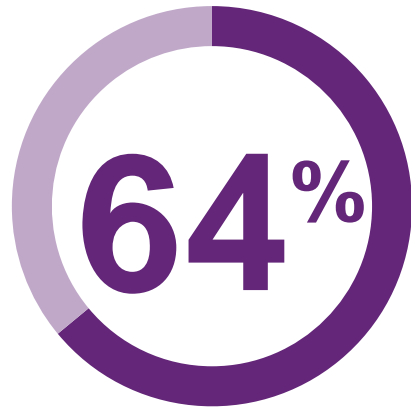


Today's digital age

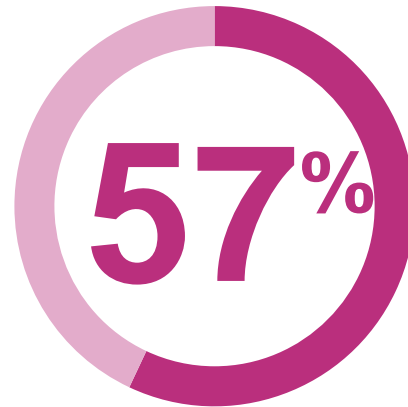
The culture of immediacy

Customers expect instant mobile service and access to information

Real-time interactions are now a necessity



**of consumers
expect companies
to respond and
interact with them
in real time**



**of consumers
say it's critical
for companies
to have an easy-to-
use mobile experience**



**of consumers
are likely to switch
brands if a company
doesn't offer an
easy-to-use mobile
experience**

SOURCE: Salesforce, State of the Connected Customer 2016

An elevated consumer experience

Ease, empowerment and transparency



Partnering to provide innovative solutions

 and  partnership



User-permissioned access to data

+



Robust analysis and insights

+



Integrated decisioning and delivery

=



Better customer experience

More efficient business processes

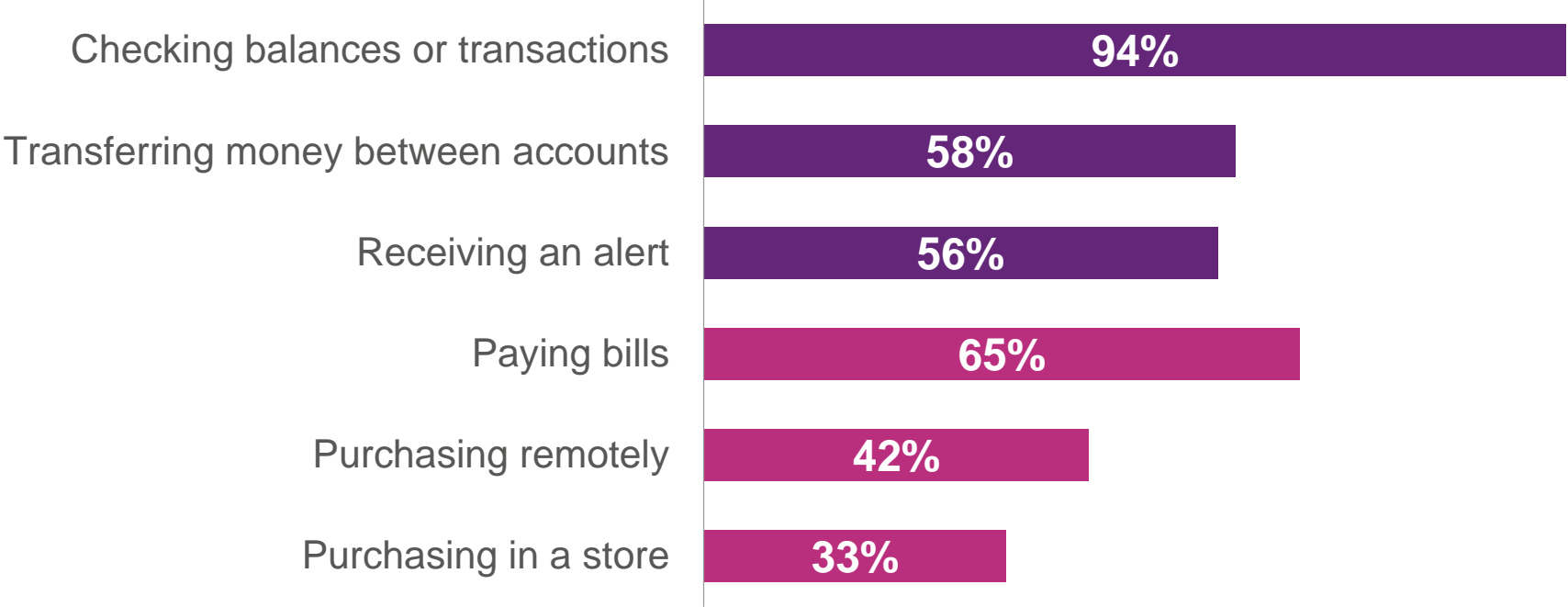


Challenges in today's lending landscape

Challenge

Shifting consumer behaviors and expectations

With the rise of “mobile financial services” consumer’s expect to be able to complete their financial transactions at the click of a button



53%

Smartphone owners using **mobile banking**

28%

Smartphone owners using **mobile payments**

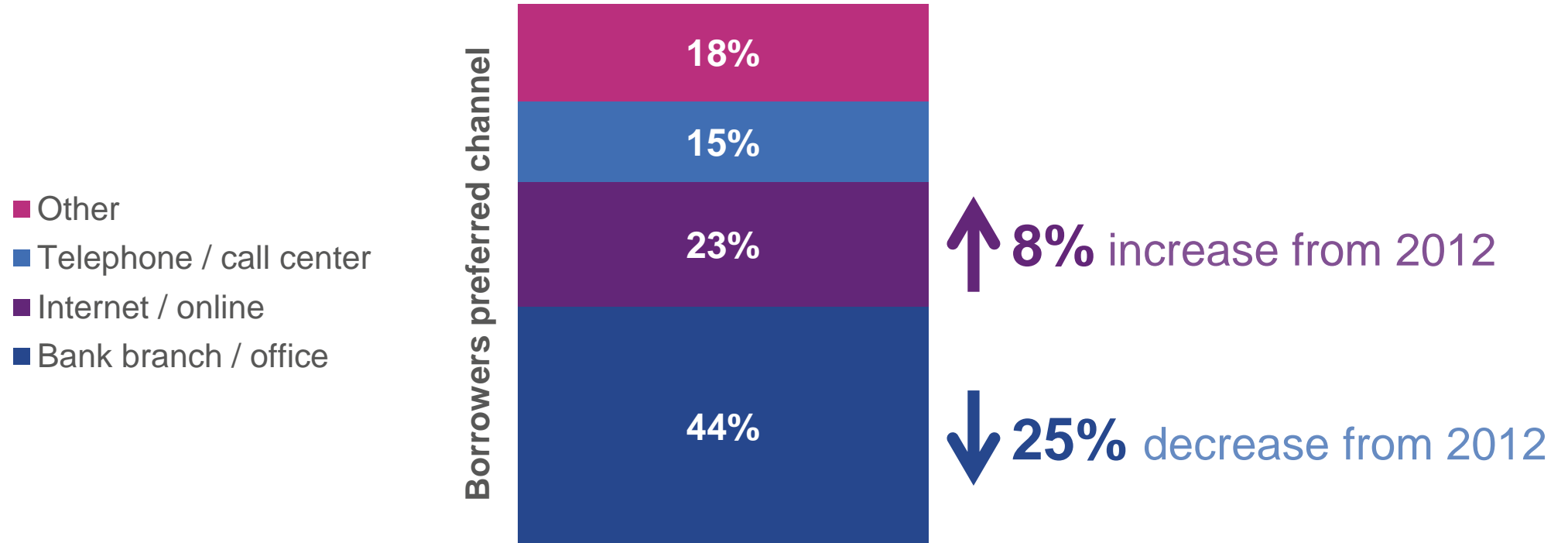
SOURCE: Federal Reserve, Consumers and Mobile Financial Services March 2016



Challenge

Shifting consumer behaviors and expectations

Borrowers prefer digital mortgage interactions



SOURCE: Accenture 2015 North America Consumer Digital Banking Survey

Challenge

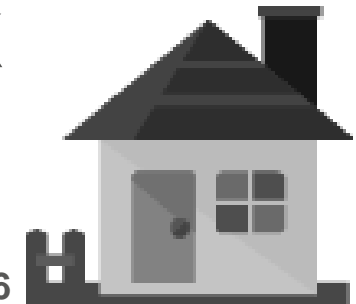
Assessing ability to pay

- Verification is time consuming
- Relying on proof documents:
 - Increases risk of fraud
 - Drives up operational costs
 - Slows down application and funding process
 - Burdens consumers
 - Negatively impacts customer experience
 - Results in higher abandonment rates

MORTGAGE INCOME FRAUD RISK

↑12.5%

FROM Q2 2015 TO Q2 2016



Challenge

Regulatory pressure

“Let me state the matter as clearly as I can here: We believe consumers should be able to access [their financial] information and give their permission for third-party companies to access this information as well.”

– Richard Cordray, Director, CFPB
at Money 20/20, October 2016



SOURCE: <https://www.consumerfinance.gov/about-us/newsroom/prepared-remarks-cfpb-director-richard-cordray-money-2020/>

Lenders are forced to adapt

- Lenders must create a hassle-free customer experience
- To do this they will need to invest more heavily in digital capabilities and in technology that removes paper from the process



“Digitization is driving transformation, rewriting the model as consumer expectations change.”



Trends defining the banking industry in 2017 and beyond

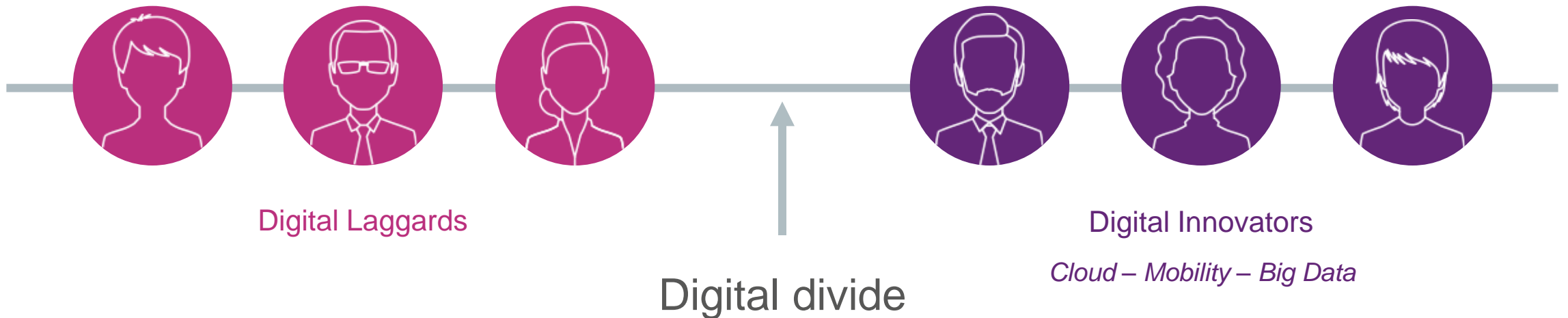
“Technology will change everything – becoming a potent enabler of increased service and reduced cost; innovation is imperative.”

“‘Digital’ will drive huge shifts in industry value – compressing revenues, enabling new attackers, redefining service and crippling the laggards.”

The digital transformation

Legacy business model
Risk management inertia
Innovation weary

Increased margins
Tailored customer experiences
Speed of innovation

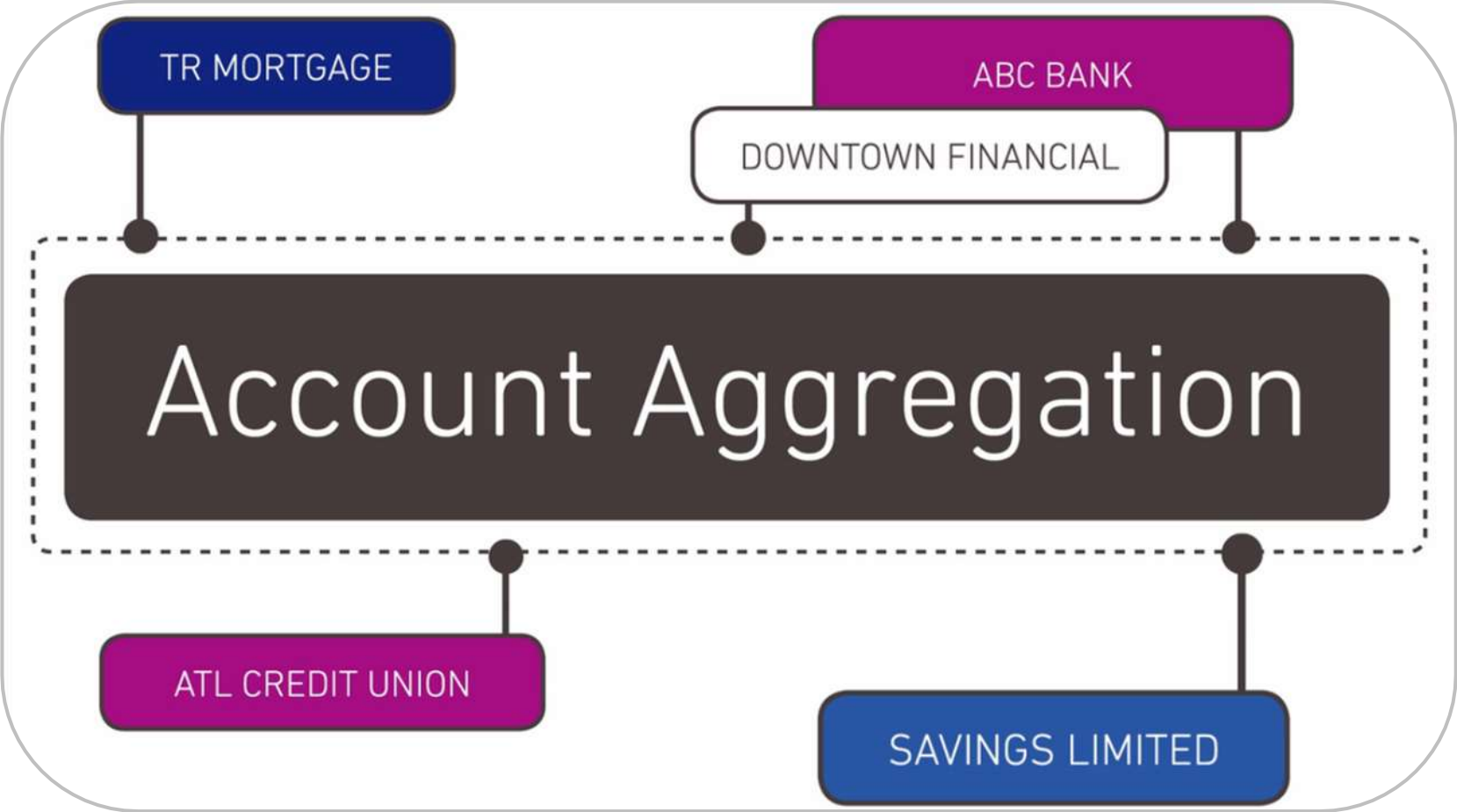




Introducing the future

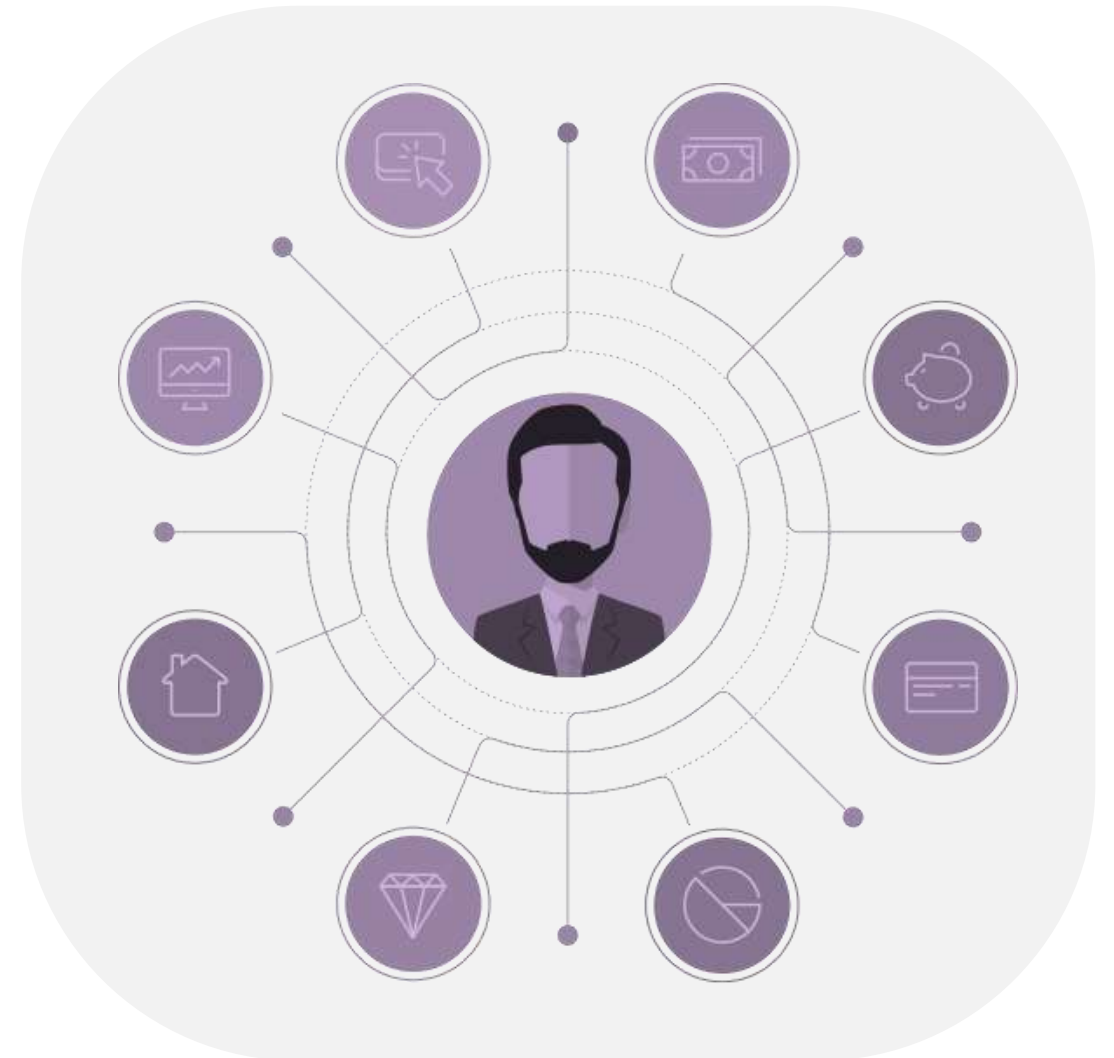
Digitizing lending through account aggregation

Video



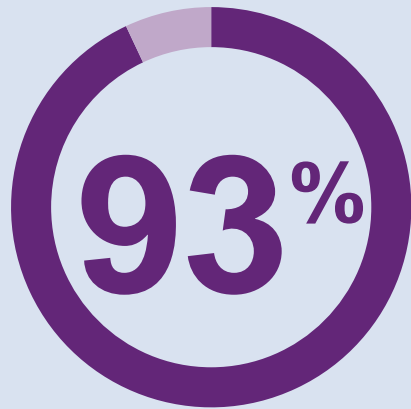
What is account aggregation?

- A method that involves compiling information from different accounts into a single place
 - Checking, savings
 - Investment
 - Credit card
 - Business
- Financial institutions and accounts are chosen by the consumer
- Consumer provides permission to accounts

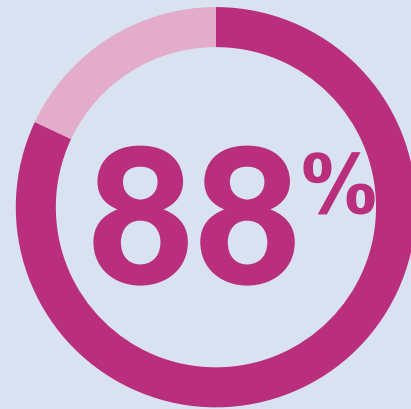


Benefits of account aggregation

Allows **deeper connection** between consumers and financial institutions



U.S. households with a checking or savings account



Consumers that receive income by direct deposit

- Digitizes, simplifies and speeds-up retrieval of data
- Improves accuracy and reduces fraud
- Facilitates analytics and insights

Leveraging technology and expertise

Broad coverage

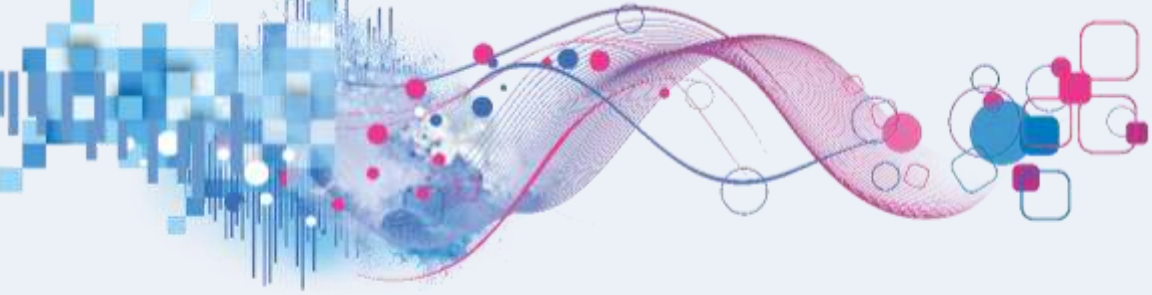
- Thousands of integrations
- Full spectrum of account types

High quality data

- Formatted data
- Auditable financial institution transaction ID's

Compliant solutions

- Delivered by registered credit reporting agencies
- Robust security

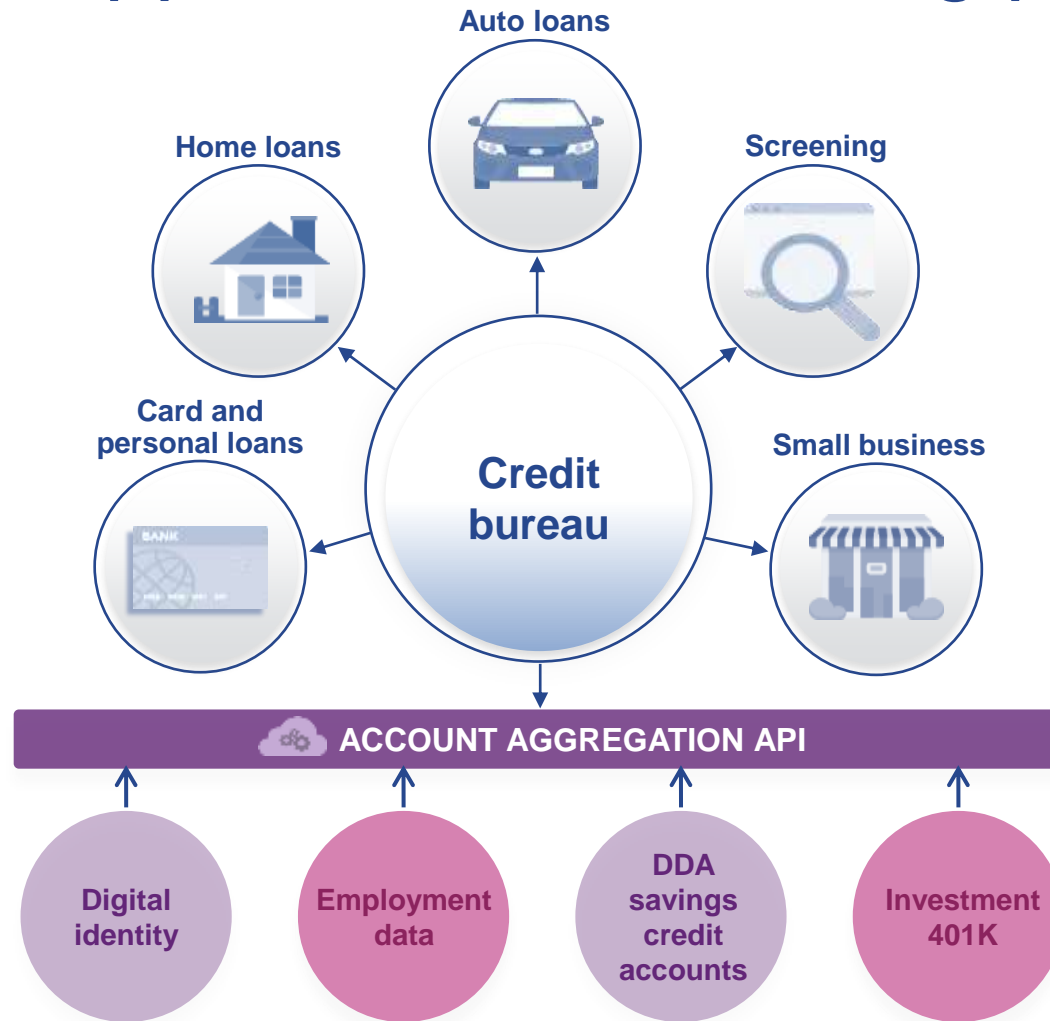


Transforming the application and lending process

Account aggregation will power new consumer insights and digitize the application and lending process

New capabilities

- Real-time income and asset verification
- Cash flow analysis
- Scores and attributes



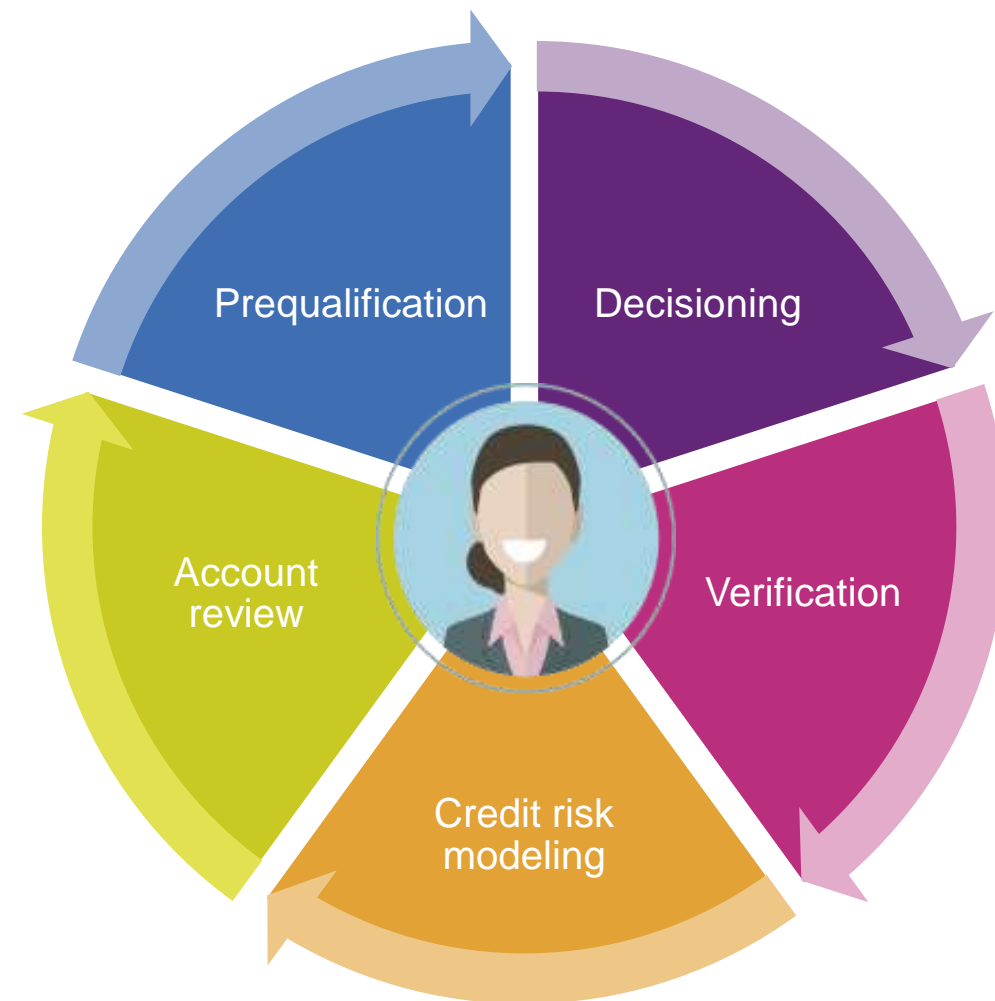
Improved outcomes

- Increase consumer satisfaction
- Reduce risk
- Broaden loan availability
- Accelerate loan underwriting

The power of digital financial transaction data

Uses and benefits across the lifecycle of a lending relationship

- Increases consumer satisfaction and loyalty
- Reduces credit and fraud risk
- Broadens loan availability
- Accelerates loan underwriting
- Improves ability to match consumer to right offer



Helping organizations across a wide range of industries



Home loans

Eliminate paper to move towards an all-digital mortgage underwriting process



Auto loans

Reduced manual verification and stipulations for quicker approval process



Card and personal loans

More precise ability to pay assessment



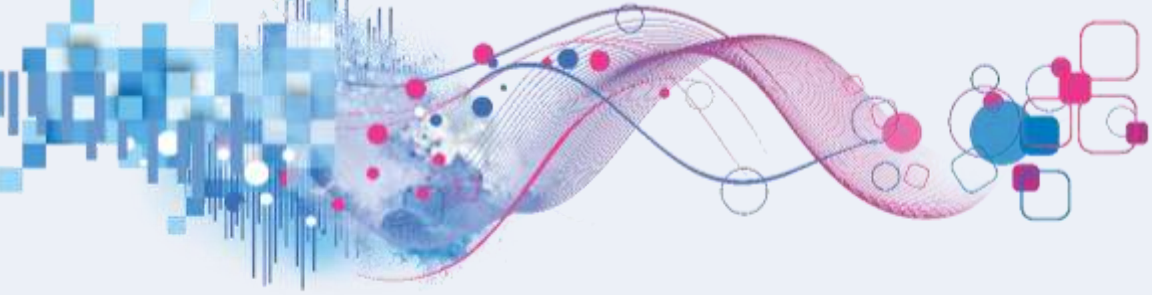
Small business

Deeper understanding of cash inflows and outflows



Screening

Improved insight into prospective employees and tenants



What's next on the horizon?

The future is digital

Most important channel for banks to invest in by **2020**

34% **20%**
Online **Mobile**

based on consumers surveyed

By **2020** three out of 4



customer transactions
will be online or mobile

SOURCE: Accenture, The Everyday Bank : The Digital Revolution 2015

SOURCE: Accenture, 2015 North America Consumer Digital Banking Survey

Questions and answers

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