CU Lending Edge Point-of-Sale (Indirect) Aggregated Program Vs **Other Indirect Platforms**

Functions	CU Lending Edge (The Lendsys, LLC Software Platform)	Other Systems
1. **Member Match –** Automatically capture your existing members from point-of-sale!	YES – Automatically matches existing member applications allowing the Credit Union that owns the member to decision the loan first. Once you own the member you have the opportunity to re-capture that member with each future loan submission. This system even knows if existing members should be declined based on past history.	NO – No other systems have automated MemberMatch logic. Lenders fight each and steal each other's members, creating multiple CU membership overlaps. Lenders don't automatically recapture existing member loans the next time they apply. Members with deficiency balances or delinquencies are often unknowingly approved.
2. **New/Potential Members – Automated FOM (Field of Membership)**	YES – Automatically sends and pings applications to the lender(s) lender where the "potential" applicant qualifies for membership based on each individual CUs field of membership (FOM) zip codes. You captures potential members at Point of Sale Automatically, eliminating adverse dealer selection.	NO – Lender(s) manually need to determine if they can extend membership. And dealers and consumers are supposed to figure this out on their own. Zip Codes for FOM qualification are not an automated system feature. Dealers either control CUs FOM qualifications, or worse yet, dealers and consumers must manually try to figure out if they qualify.
3. **Level The Playing Field - Automated** next-in-line algorithm levels the playing field for all lenders eliminating adverse selection and increasing productivity	YES – Whether there are existing member or potential member overlaps or not, the systems algorithms automatically determine which lender's turn it is to decision the next application. The system does not allow or provide the ability for human interventions within the system, or adverse selection by dealers. No lender on the system can incent dealers under the table, steal, or otherwise coerce dealers to send them the loan.	**NO** – There is no level playing field or attempt at automated logic to properly distribute loan decisions. Everything is controlled by and based on trusting the dealers! Dealers can bypass submitting to any lender altogether even when it's your member. Other systems create opportunities for and almost seem to encourage dealers to adversely select lenders, regardless of who owns the member or who is in the best position to extend membership.
4. **Risk-Based APR/Pricing –** Each loan decision can be priced individually based on the true risk	YES – Lender(s) can build sophisticated automated Risk-pricing into each individual iterative automated decision. The system provides for automated pricing on over 17 major pricing variables, with 1,000's of possible pricing combinations and outcomes.	YES – There is some level of automated pricing, but in most cases this is extremely limited and almost always limited to one (1) iteration, or decision level. So manual decision pricing needs to be calculated by hand and recorded manually. There's no automation!
5. **Automated Iterative Decision Matrix -** Allows lenders to automate manual decisions, while eliminating junk	YES – Lenders have infinite levels of automated loan decisions dramatically minimizing manual decisions and the time, effort and cost that go into reviewing declined loans. The system actually bypasses lenders on loans that can't be auto approved, saving "junk" per app fees and credit report pulls, along with the all the manual decision time and cost of adverse action notification. Eliminate the junk!	YES/ **NO** – Most other systems do provide at least one level of auto approval with "Pass All" logic. However, on every non-aggregated system (virtually every other system in the marketplace) every time a dealer sends you a loan that you don't want, you are obligated to pay an application fee, pay for a credit report, and put in manual underwriting time. And if you decline, even send adverse action notices. You spend a lot of resources working on junk!

6.	**Manual Decisions -**	YES – The system efficiently allows lenders to make manual decisions, because with each manual review, there's a complete underwriting screen, decision matrix and fully parsed credit report. Lenders can see exactly why they declined a loan and immediately assess how close it is to being a true manual approval. Loans not automatically approved are then available for review for all lenders. Which is strong incentive for each lender to build out and to continue to tweak auto-approval guidelines. No one wastes manual time on this system!	YES – Other systems live and breathe on making manual decisions and counter offers. Most counter offers are rarely taken by the dealers. Manual decisioning is frequently too slow. By the time staff manually reviews and communicates back, dealers already have most loans placed elsewhere. With about a 15% or less Auto Approval ratio, most Loan Officers spend 85% of their time manually reviewing applications to approve and fund perhaps 20-25% of what they do approve. That's 75% of your time getting funneled into loans that you don't fund.
7.	**Interfaced with DealerTrack & RouteOne: And with CoreLogic Credco for Discounted Credit Reports**	YES – DealerTrack and RouteOne interfaces are in place and applications are received into the system and automatically routed to the right lenders for decisioning, at no cost to our lenders. Dealers never have to log into the CULE system to submit or review a loan. The system also interfaces with CoreLogic - Credco allowing lenders to pull their credit bureau of choice while also receiving significant discounts on all credit pulls. One more value-add of an aggregated process.	YES/ NO – Most other systems have an interface built, some don't. Interfaced lenders fight with dealers to have apps sent to them, and each lender pays for each application sent to them, whether they want it or not. Systems that don't have an interface with DealerTrack or RouteOne require dealers to Log-in to separate systems from their cores, forcing dealers to re-enter all of the application data to send an application to those systems. Dealers are not fans of this!
8.	**Aggregated Lending Platform –** Aggregation creates efficiencies and cost – savings yet allows individuality - No Cookie Cutter Approach!	YES – Lendsys allows each lender to underwrite independently, while benefitting from the aggregated platform– without competing against each other. Instead of apps being declined by one lender and stopping there, the system can push the app to other lenders that would auto approve the application(s). More approvals keeps dealers submitting more apps, while reducing per app and credit report fees for lenders. Aggregation is a Win-Win!	NO – Though some systems support multiple lenders, each lender either works independently, or with no autonomy at all. The lenders are competing directly against each other on these systems. Either each lender pays per app and credit reports fees on every loan submitted, or all decision and routing of loans is controlled by a third party (CUSO example) and every CU is forced to use the same rates, underwriting guidelines, etc. The Cookie Cutter approach is unsustainable!
9.	**The ultimate CUSO business opportunity** - Develop and deliver a core competency product line; Generate NII: lower operating costs; within the CUSO business model structure!	YES – The system was designed for an intermediary entity like a CUSO to function as an aggregator. A CUSO utilizing the system doesn't need to push apps manually to their CU partners to perform any of the decision or packaging functions/process, it's all done automatically. The CUSO operates to keep costs down to lenders, while still generating significant CUSO revenue. And the aggregated platform allows for continual expansion, and/or protected territories.	NO – Other systems are not really designed to support the CUSO's CU partners. If anything, the CU partners are asked to all underwrite in a similar fashion to minimize human errors. The problem, the CU lenders are being limited to the type of Approvals being granted. Plus the response time to the dealers is slow. In most cases, by the time an Approval has been granted, the dealer(s) gave the deal to another lender, simply because they received the approval faster.