



# Fintech Leader Automates Funding with Oculus

Since its inception in 2006, Kapitus has provided over \$2 billion to almost 40,000 businesses in hundreds of industries across the U.S. As both a direct lender and a marketplace built with a trusted network of lending partners, Kapitus provides small businesses with the financing they need, when and how they needed it.

*“I started Kapitus because I saw a need in the market,” said Kapitus CEO Andrew Reiser. “At the time, I saw that a lot of small businesses did not have access to capital. These businesses did not have the assets needed to support bank loans. The alternative lending industry was still young and small. But I felt, based on market demand, that the industry was going to grow.”*

## Situation

Kapitus initially had a highly manual underwriting process. The company used a team of underwriters for both manual data entry and review. This manual process created friction on a number of levels. The cost of the data team was significant and prohibitive to scalability. Underwriters performed at suboptimal speeds, entering one data point at a time, and ran the risk of producing inaccurate data due to attention lapses, “fat finger” issues, and the lack of a data validation layer. When application flow was slow, underwriters were left with nothing to do. When the application flow was large, backlogs resulted in missed opportunities.

*“The pain points that made us seek out Oculus unfolded over several years,” said Senior Vice President of Underwriting Steven Podhorzer.*

“We saw the competition ramp up quite rapidly within the industry with the rise of new technology, such as A.I. and big data. We knew that if we were going to not only survive, but thrive, we had to seek out new ways to be faster and more accurate, all while improving the customer experience and increasing productivity amongst our team.”

## Solution

After thorough research, Kapitus selected the Oculus platform. Oculus extracted and analyzed data from bank statements using AI-based computer vision and crowdsourced review. With these capabilities, Oculus replaced the Kapitus manual data entry operation. Kapitus also harnessed the 30 credit model inputs generated by Oculus, which were uploaded directly into the lender’s LOS. These cash flow analytics, such as borrower income, loan stacking detection, and suspicious activity alerts, enabled Kapitus to make smarter, faster funding decisions.

## Results

- ✓ Kapitus harnessed Oculus to eliminate a highly manual underwriting process
- ✓ Oculus powered Kapitus’ automated funding process that fully determines approval eligibility
- ✓ As the business and underwriting strategies of Kapitus changed, Oculus evolved along with the company



“The impact of Ocrolos on our organization, and most notably to the underwriting department, has been nothing short of tremendous,” said Steven Podhorzer. “Our underwriting staff is able to analyze data in a much more timely fashion. We’re able to capture data that we never had access to before, and we can analyze bank statements in powerful new ways. We’re also able to leverage the Ocrolos data in our own credit models to make underwriting a lot faster, smoother, and more accurate. All of this combined leads to an overall increase in productivity amongst our team, and a greater overall customer experience for our clients. And the Ocrolos Team is a wonderful group of people. They’re always standing by to help us if we have questions.”

But Kapitus was just getting started with Ocrolos. In 2019, Kapitus rolled out a fully automated funding process for qualified deals. Unlike other competing models that offer an “option of approval” or “conditional approval,” Kapitus determined approval eligibility with just an application and bank statements. The core of this automated funding process was powered by Ocrolos.

## Results

To build the automated funding process, Kapitus integrated the Ocrolos API with its own proprietary machine learning models. As the anchor of the workflow, Ocrolos automated bank statement analysis with industry-leading speed and accuracy. The fast turnaround times, and the supreme confidence in the results, allowed Kapitus to lock in borrowers before they found other deals. This new automated method offered an extremely simple and secure process for borrowers, paired with exceptionally quick time-to-funding.

***“Now we process over 90 percent of our applications within 30 minutes,” said Chief Product Officer Arun Narayan. “Processing applications within that timeframe is definitely a remarkable achievement, and we were the first in the industry to do it. That was only made possible with Ocrolos.”***

Kapitus came to Ocrolos to eliminate manual data entry and review. But Ocrolos did more than that. The platform evolved along with Kapitus as the company’s objectives changed. Kapitus used Ocrolos in phases, first to eliminate manual review, then to refine its analytical capabilities, and now to fully automate the funding process. As a flexible end-to-end solution, Ocrolos is integrable with any workflow that requires financial document analysis. That’s why Ocrolos was and is the core solution for Kapitus, even in the face of changing business strategies and underwriting methods.

***“It’s night and day between our old methods and Ocrolos,” said Steven Podhorzer. “It’s been wonderful.”***

