


Session 12 Questions and Answers

V I R T U A L U | S | E | R | F | O | R | U | M

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Recordings can be viewed at <https://www.meridianlink.com/events/user-forum-2020>

Session 12 – From Legacy Platform to LoansPQ: Keeping Your Complex Decisioning

One of the most common concerns voiced by all legacy clients is how their various rules, tables, calculations, and decision matrices translate from their current system to LoansPQ. This session takes a look at some of the specific ways LoansPQ can duplicate your current decision process using its dynamic workflow.

Q. Have you been able to define a consistent mapping/translation path from APPRO LCC to LoansPQ (LPQ) for existing decisioning rules?	A. We are able to extract the historical data from APPRO LCC and actually rebuild credit bureau attributes that can be used in LPQ, including some that are not available in the old system. We map the rules setting that you are using and make recommendations on ways to improve the setting & thresholds.
Q. Do the new rules have criteria for whether the borrower is a homeowner or not?	A. Yes, we can identify the presence of a mortgage trade through the attributes available.
Q. We are getting ready to launch LPQ for loans. We are currently using SAIL. Does this team have a good mapping tool to match the SAIL rules to the LPQ rules?	A. While there is no 1-to-1 mapping tool considering the difference in the systems, most SAIL approval rules are available in LPQ. Our team has significant experience mapping rules from various systems into LPQ while incorporating best practices regarding predictability and efficiency. During a Decisioning Optimization, we will overhaul the rule set based on risk and identify the best set of rules to employ in LPQ to accomplish your goals for instant decisions and risk tolerance, while also considering your guidelines and policies.



<p>Q. SAIL doesn't have an approval rule that recognizes deferred loans. Does LPQ do that?</p>	<p>A. Deferred student loans may be included from the calculations or excluded from the calculations by enabling the loan setting. This may be done at your discretion.</p>
<p>Q. How would this help if we are already using LPQ Auto Decisioning?</p>	<p>A. Decisioning Optimization is a project that makes sure your LPQ decisioning is set up in the best way, by making sure you are getting higher automation at your risk threshold. We use loan performance data along with your origination data to show empirically where you can make adjustments, then simulate changes in the system and how it will have an impact financially.</p>
<p>Q. How will you all incorporate what is happening with COVID-19 when doing the historical performance evaluation?</p>	<p>A. We use all of your actual loan performance data from even the most recent month to build reports and to perform the decision optimization. We also compare recent loan performance to your historical performance to see how the decisioning is performing in the vintage cohorts.</p>
<p>Q. How complex can the definition of risk tier be in LPQ? Can it use multiple credit bureau and application variables, rather than just a single credit score as shown in the example today?</p>	<p>A. The complexity can be custom tiers that are driven from credit bureau and application variables through a custom scorecard, which will give better risk assessment and increased automation.</p>
<p>Q. Can you do an Analysis on Decisioning if we are converting to LPQ from another system (CRIF/Sail), or only the LPQ legacy system?</p>	<p>A. We can perform decisioning analyses on any and all of the systems, including ACTion, LCC, SAIL, Mark IV, and all versions of LPQ.</p>
<p>Q. How quickly can a tier or cutoff be updated or edited, and is it controlled through the bank or controlled by MeridianLink?</p>	<p>A. Updating or editing a tier cutoff is very simple. This is not controlled by MeridianLink and is completely doable by the bank itself since it is in the Underwriting Guidelines of the products. Depending on the number of products to be updated, this could be done in as little as 10 minutes or, for larger number of products, around an hour. However, keep in mind this is contingent on the number of products/guidelines and will vary between the institution.</p>
<p>Q. Can you clarify on how the Underwriting Guidelines can decline an application?</p>	<p>A. The Underwriting Guidelines are essentially mirrored as Auto-decline Guidelines. These are located under your guideline set in the Page displaying the products. A Custom List will also allow you to decline applications based on advanced conditions tied to the 'decline' action.</p>



Q. Will the underwriting guidelines within a product decline?

A. There are auto-decline Underwriting Guidelines in each module that mirror many of the Underwriting Guidelines that are used for referral. While they are not all available to be used for instant declines, the custom list may be used in tandem in order to ensure auto-declines are set up for desired applications.

