Problem loans

Loan machine – Loan robot – Transaction robot

FERNBACH
simply better financial technology

An automated bank-wide loan monitoring using leading indicators supports the reduction of the exposure at default.

Problem loans (NPL) are work and cost intensive

We can drastically reduce this work.

On the first occurrence of a non-performing event, for example, the system can notify an account manager directly and proactively. Alternatively, it is possible to automate the entire process without human intervention (robotics). All terms and deadlines are met, correspondence is automated and, above all, increasing quantities are compensated for by machine work.

To enable this, FERNBACH offers the software package outlined below – on request also with consulting/instructions/ training and a complete technical integration.
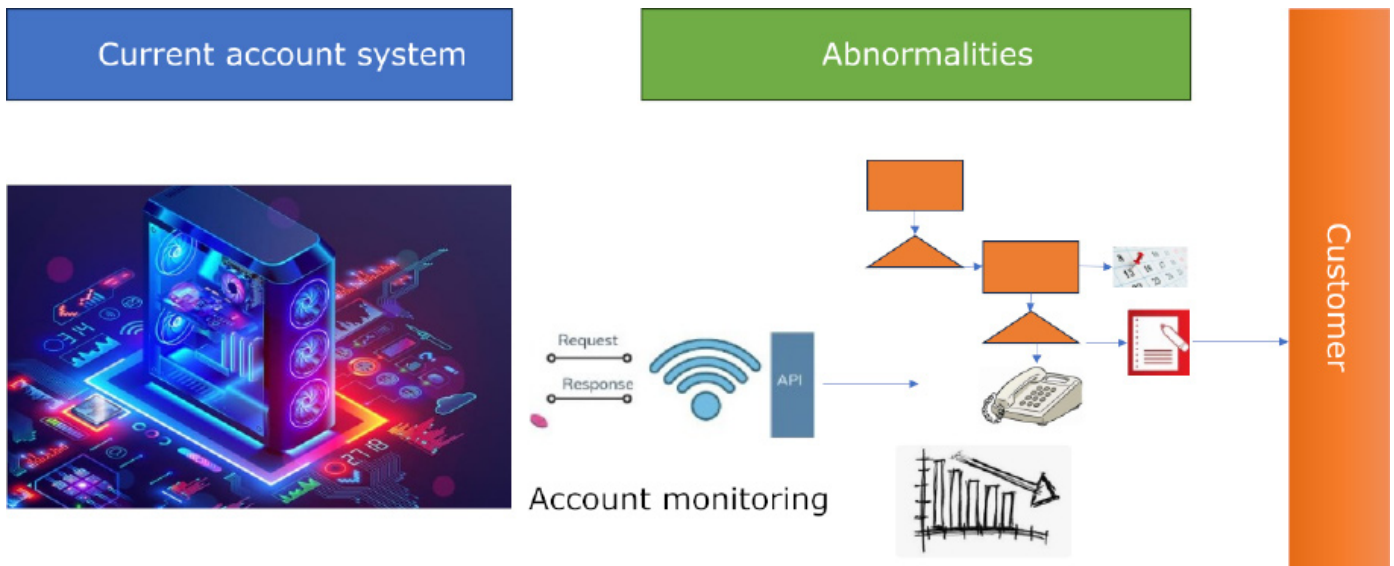
Base package

Early detection
- Machine-based monitoring of leading indicators, e.g. to enable the account manager to take preventive action

Payment monitoring
- Automatic monitoring of due dates
- Automatic impairment triggering

Dunning
- Automated, workflow-based, comprehensive process including automatic correspondence (paper, e-mail, SMS)
- Automated reminders / schedule management / problem lists
- Automatable features (such as account locking, etc.)

Impairment
- Calculation of probability-weighted expected credit losses (pwECL)
- Customer impairment and collective impairment

Forbearance und NPE monitoring
- Procedures for granting forbearance measures
- Determining the NPE and forborne status as required by EBA
- Monitoring of recovery periods
- Provision of all relevant data for the existing reporting system

Options

- AI-based forecast of future credit losses for healthy accounts

- Entering flexible deferral plans

- AI-based repayment probabilities of repayment agreements

Use case 1

You have posted the credit lines / loans on the current accounts in you core banking system. The credit line (overdraft facility) granted is reduced depending on the market or lending value of the collateral. If the current account balance drops below the credit line granted or if the value of the collateral decreases, resulting in an unsecured amount, a separate repayment agreement can be made with the customer to compensate for the overdraft in a timely manner. The loan robot monitors compliance with the payment agreement. A corresponding follow-up is generated for account manager responsible. The manager could then agree on adjustments to the payment plan with the customer (e.g. reduce instalment rates, or grant deferrals or suspensions). If desired, you can calculate the repayment amount and the expected probability using AI. At the same time, the associated correspondence is automatically carried out according to the business strategy you defined.

Use case 2

The software monitors deposits in customer accounts. In the event of any abnormalities, the account manager can be provided list of customers to call to try to prevent defaults. If a repayment is not made for a longer period of time, the dunning process is started. The dunning levels, maturities and correspondence can be designed to any extent with a workflow tool, taking into account your business strategy. The respective tasks are processed automatically. Anything that is relevant for regulatory purposes is recorded and does not need to be processed separately.

Your investment

For the customisation and installation, we usually expect approximately 50 days of labour costs. The interfaces required can be created by your IT department Operation in the cloud is possible.

CONTACT US

Local experts. Global know-how.

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