CASE STUDY

Initial Assessment Workflow Helps Lender Improve Operational Efficiency and Drastically Curb Resource Expenditure

A prominent multi-state bank sought to address its increasing expenditure of resources associated with Tri-Merge Credit Reports. The bank needed a solution that would not only help optimize its allocation of resources, but also increase the efficiency of its credit report workflow.

As part of this workflow, the bank relied solely on hard-inquiry reports. This approach introduced unnecessary complexity and placed a strain on both operational capacity and overall resources. Combined with growing concerns about the customer experience, these inefficiencies highlighted the need for a more streamlined and resource-conscious solution.

Exploring Credit Data Solutions

Factual Data presented several credit products as potential options, but ultimately recommended the Initial Assessment workflow as the most effective solution to the bank's resource allocation challenges.

Options Presented:

Pre-Qualification: A soft inquiry report, useful for obtaining an approximation of credit before beginning the loan manufacturing process. Often used in conjunction with a hard-pull report.

Pre-Approval: A soft inquiry report that can help lenders offer applicants an extension of credit earlier in the process, which may assist with retention.

RECOMMENDATION

Initial Assessment Workflow: A credit workflow designed to help lenders close loans quickly and avoid multiple credit pulls.

The bank indicated that a deciding factor for the Initial Assessment workflow was the ability to generate Government-Sponsored Enterprise (GSE) early assessment program findings from a single bureau.

A Closer Look at the Initial Assessment Workflow

With the Initial Assessment workflow, lenders only access a 1- or 2-bureau credit report in the early stages of the application process. After receiving findings from the GSE Early Assessment Program, they may choose to upgrade to a full Tri-Merge Credit Report. This process can help to reduce unnecessary inquiries, resource expenditures associated with less efficient workflows, and costs associated with pulling unnecessary data from additional bureaus. Initial Assessment may only be used in the GSE Early Assessment Program, and for no other purpose.

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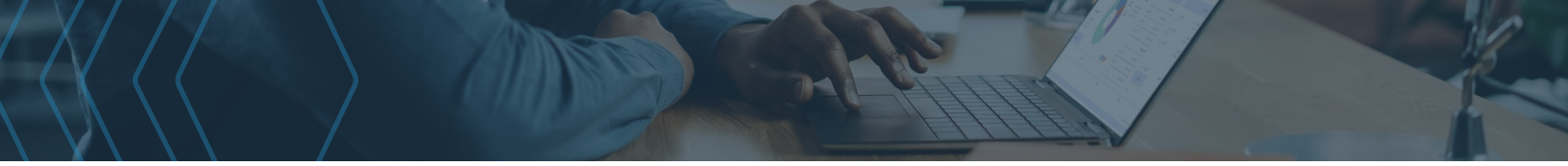


Not only would this assist in streamlining the bank's workflow — it also aligned with its desire for a more measured approach to resource management.

Change can often be met with resistance, and the bank's sales team, accustomed to the traditional Tri-Merge Credit Report model, was at first apprehensive about transitioning to a single-bureau solution. However, Factual Data helped mitigate these concerns by assuring the team that it would receive GSE early assessment program findings with the single-bureau data. Additionally, Tri-Merge Credit Reports would still be produced — if the starting bureau's data met GSE standards.

A Seamless Transition to a Resource-Conscious Credit Workflow

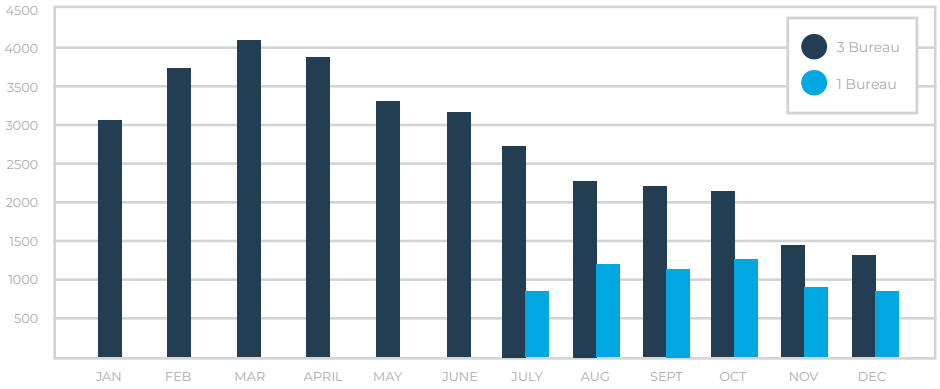
The bank chose its preferred bureau for the workflow's first credit pull, an option available to all Initial Assessment users. The bank also reconfigured its existing Automated Workflow Solutions script to avoid potential conflicts with the Initial Assessment workflow.

Working alongside Factual Data, the bank conducted extensive testing over the course of one month, with regular check-in calls to address questions that arose. Following the workflow launch, Factual Data maintained ongoing communication with the bank, holding regular meetings to help ensure smooth operation and promptly addressing any emerging concerns.

After Implementing Initial Assessment, Need for Tri-Merge Credit Reports Declined

Single-bureau reports (bright blue) correlate with use of the Initial Assessment workflow

Note: This graph shows data unadjusted for seasonal or cyclical market effects



Achieving Transformative Results

In reviewing the data from the first four months of using the new operational workflow, the bank was pleased with the results of its transition to Initial Assessment. Not only did it realize substantial improvements in operational efficiency — it also noted a staggering reduction in resource expenditures for credit reports:

Reduction in credit expenditures: **29%**

Estimated reduction in bureau inquiries: **35%**

The bank also recognized that its sales team had shifted their perspective of the new workflow. The immediate access to GSE Early Assessment Program findings had alleviated their concerns and helped them embrace the change.

Schedule Your Initial Assessment Workflow Demo Now >

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