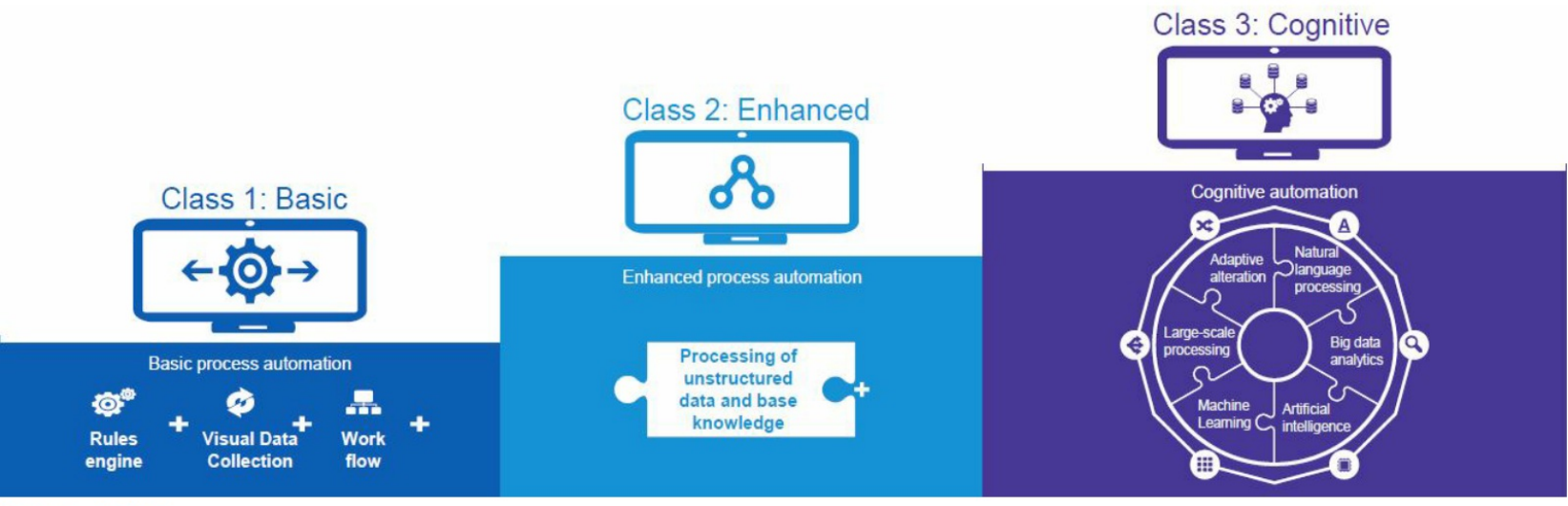
Analytics & Technology

In The Credit Union Risk And Compliance Ecosystem

Analytics and technology are supporting a new wave of automated compliance and risk decisioning. Is your credit union ready to take the leap?

LOS Capabilities For Loan Reviews



Source: KPMG

How Do Analytics & Technology Enhance Value?

- Mitigate Risk
- Reduce Costs
- Increase Revenues

	Class 1: Basic	Class 2: Enhanced	Class 3: Cognitive
Mitigate Risk	**Embed preventive monitoring** for basic pre-close risk and compliance checks.	Minimize losses via advanced analytics and **flagging exceptions in unstructured loan documentation**.	Apply predictive analytics and cognitive to **improve accuracy/ reduce loss rates** in underwriting.
Reduce Costs	Eliminate manual effort associated with **"stare and compare"** of documents vs. loan origination/ servicing systems.	Lower manual costs associated with **post-funding risk monitoring, limits management, conditions monitoring** etc.	**Reduce manual costs associated with delinquency and default management**, via predictive monitoring and machine learning.
Increase Revenues	Increase member satisfaction and retention **through faster onboarding and credit approval** cycle times.	**Increase market share and optimize profitability** through dynamic, personalized risk-adjusted pricing and limit setting.	Through machine learning, identify patterns in members' needs and risk behaviors to **improve and personalize service** experience over time.

Source: KPMG

Impact Of Auto-Decisioning

Credit unions that use consumer auto-decisioning*		Credit unions that do not use consumer auto-decisioning*
Annual Loan Growth: 13.2%		Annual Loan Growth: 12.3%
Avg. Member Relationship: $20,983	VS	Avg. Member Relationship: $16,408
Delinquency: 0.48%		Delinquency: 0.62%
Net Charge-Offs: 0.44%		Net Charge-Offs: 0.52%

* BASED ON A SURVEY OF 333 CREDIT UNIONS | DATA AS OF 3.31.17

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