

LACE – An overview of what is available

■ **Membership and loan application**

We have created a new streamlined application form, combining both membership and loan application into one fluid wizard. The amount of data requested is also minimised to enhance the user experience whilst still gathering all vital information to make an informed decision.

■ **Automated form population for existing members**

Key information is requested and validated against your Curtains database. Successful validation will result in the online forms being pre-populated where applicable.

■ **Credit Union policy rules checking**

You set the rules and we check them as the existing member starts the application. This prevents applications from being submitted if they will ultimately be declined.

■ **Credit report checking**

Again, you set the rules and we shall check them as the information is imported into Curtains. An automated credit report is requested, and from those results, we automatically assign a Pass/Refer/Fail status to each rule.

■ **Loan calculator**

Let the member see how much borrowing with your Credit Union will cost. Calculations are based on product information held within Curtains.

■ **Affordability calculator**

We automatically ascertain an applicant's disposable income and maximum loan repayment affordable. Offering them the option to tweak the borrowing amount and/or term to make it viable for their circumstances.

■ **Automatic product assignation**

Existing members - With a current loan balance a top up is suggested | Without borrowing, the standard loan product is suggested

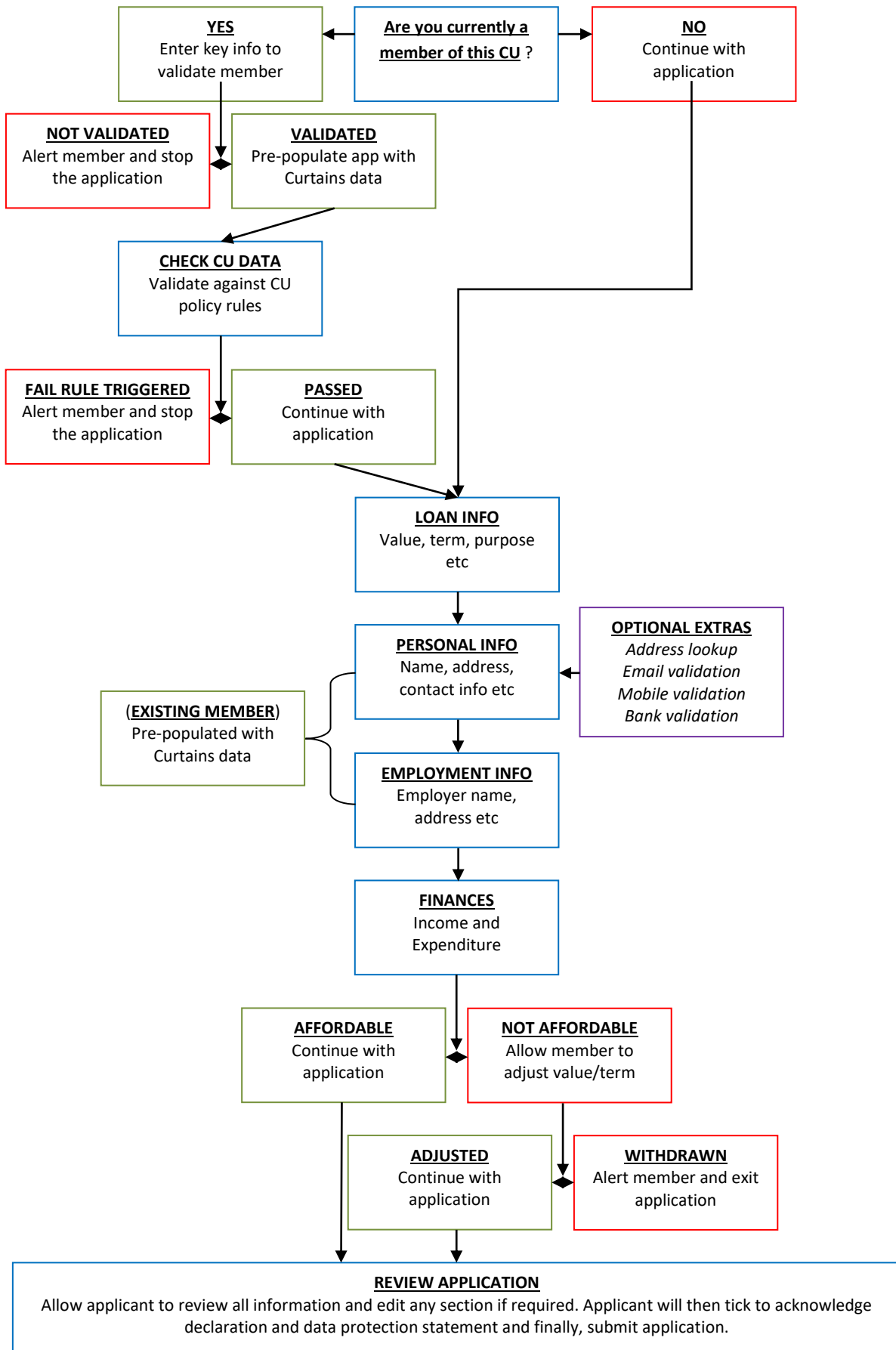
New members - You can nominate an introductory loan product or assign to your standard

Special Loan - Special loans can also be offered and would allow concurrently running loans

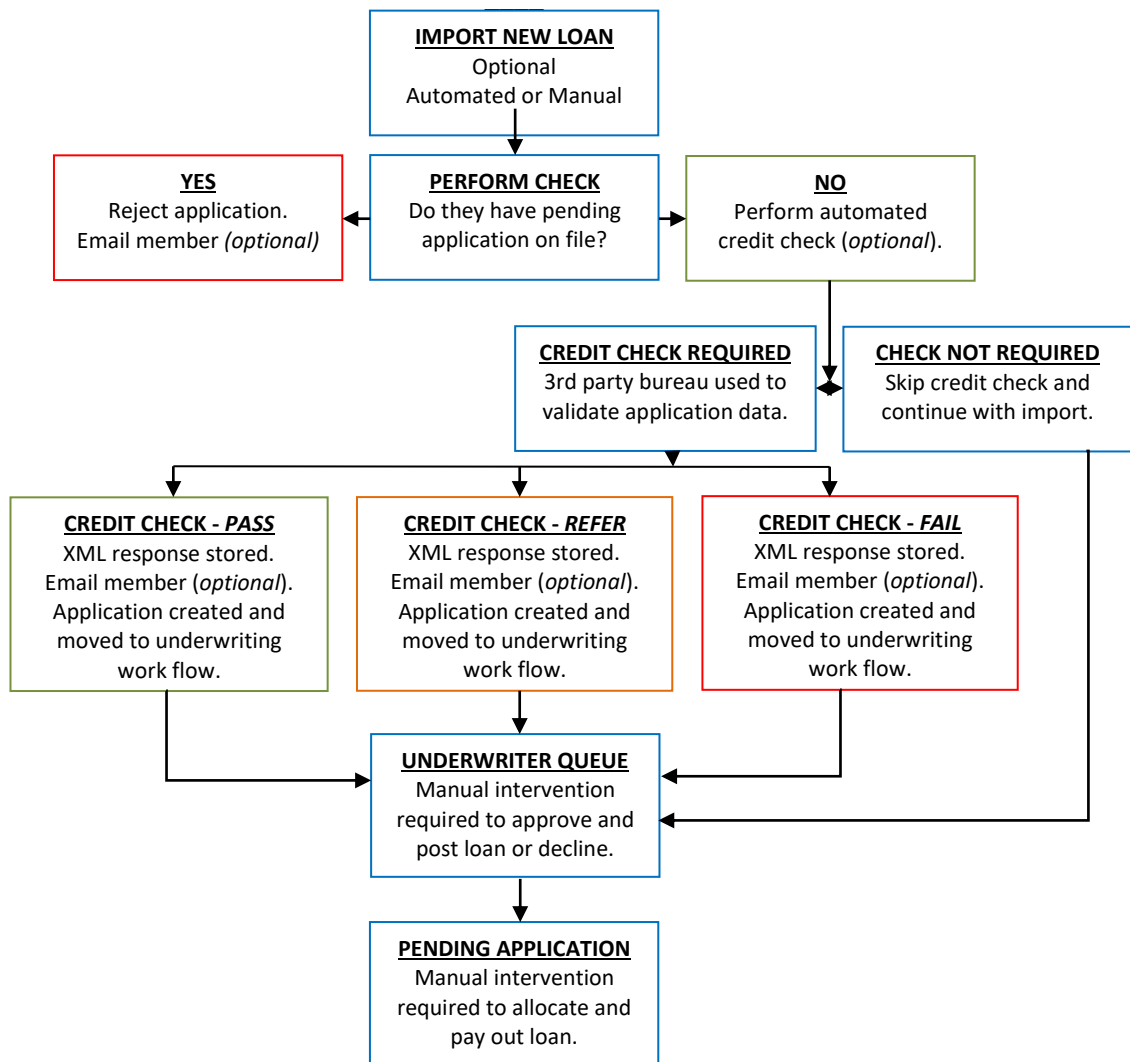
■ **Fully responsive design**

Adapting to mobile, tablet and PC and compatible with all web browsers. One version for all your needs.

LACE – Making an application

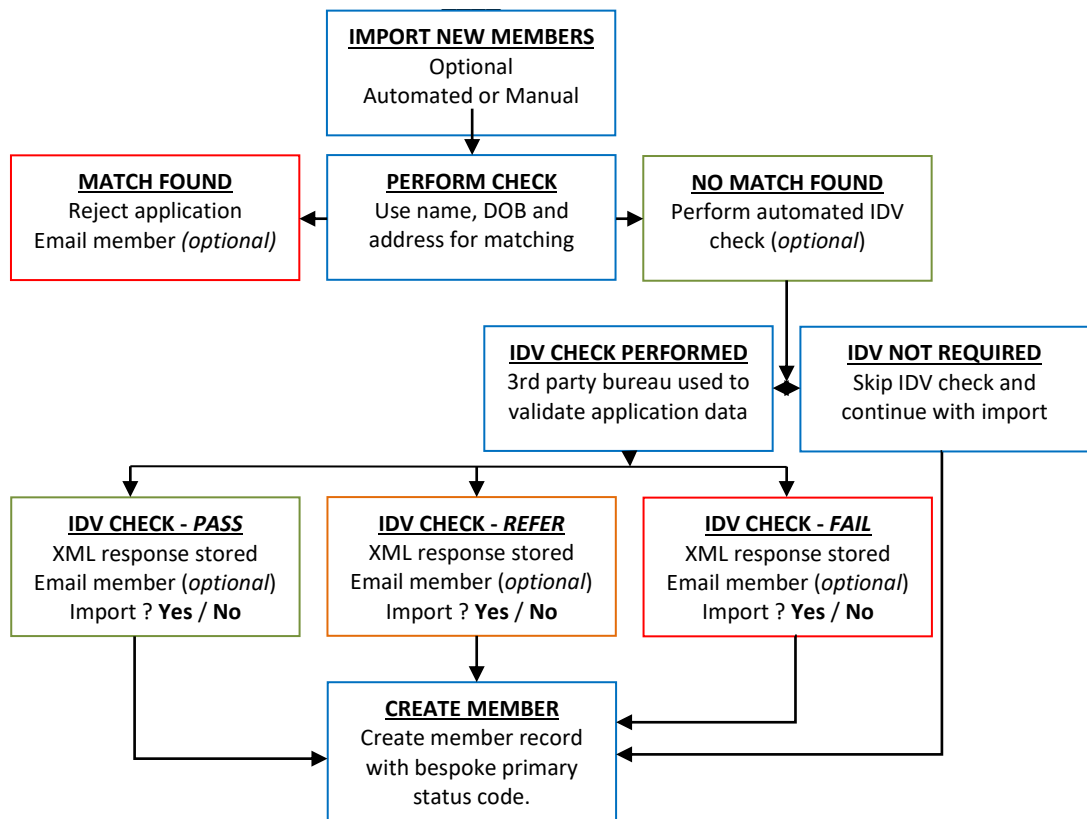


Curtains - Loan import



- Credit checking is optional, and we currently offer integration with either Experian or Callcredit.
- Credit checks whilst automated can also be tailored to include/exclude applications based on criteria set by the credit union. (e.g. *Do not credit score loans under £250.00*)
- Bespoke automated emails can be sent dependant on the credit check result.
- Loan documentation can be generated for applications which PASS, and sent to the member in one of the following ways:
 - Converted to PDF and uploaded to Members' Area 'Inbox'.
 - Sent via RPost for digital signing.
 - Emailed directly to the member (*not recommended as not secure*).
 - Printed for posting. (*recommended for new joiners to prove address and prevent fraud*)

Curtains - New member import



- IDV is optional and we currently offer integration with either GB Group or Callcredit.
- Bespoke automated emails can be sent dependant on the IDV check result.
- Member can be assigned a specific status code to allow you to monitor joiners who have yet to deposit.

LACE – Credit Union Policy Rules

Kesho have defined a set of 'Credit Union Policy Rules' and 'Credit Report Rules' in conjunction with a working party of experienced Curtains users. You have the option to tailor these rules to suit your credit union requirements.

Options for 'Credit Union Policy Rules'

- **Active** - Does exactly what you would expect! Validate or skip this rule.
- **Value** - Set the value for the rule.
- **Yes** - If the result of this test is true, set the status of this rule to either Pass / Refer / Fail
- **No** - If the result of this test is false, set the status of this rule to either Pass / Refer / Fail
- **Stop app** - If the result of this rule true, prevent the online application from continuing.

Credit Union Policy Rules		Credit Report Rules				
Code	Policy rule	Active	Value	Yes	No	Stop app
PR01A	Loan allocation within the past (3) months	Yes	3	Refer	Pass	No
PR02A	Minimum (20%) of loan has been repaid	Yes	20	Pass	Refer	No
PR03A	Currently in arrears	Yes		Fail	Pass	Yes
PR04A	Any missed payments within the past (12) months	Yes	12	Pass	Pass	Yes
PR05A	Diary message for credit control currently active	Yes		Pass	Pass	No
PR06A	Currently has a bad debt product with balance	Yes		Fail	Pass	Yes
PR07A	Status code 1 is equal to	Yes	BDJL	Fail	Pass	Yes
PR07B	Status code 2 is equal to	No		Fail	Pass	Yes
PR07C	Status code 3 is equal to	No		Fail	Pass	Yes
PR08A	Has been a member for (2) months or more	Yes	2	Pass	Pass	No
PR09A	Direct Debit rejected within past (12) months	Yes	12	Refer	Pass	No
PR10A	Home status - Home owner	Yes		Pass		No
PR10B	Home status - Housing association	Yes		Pass		No
PR10C	Home status - Private let	Yes		Pass		No
PR10D	Home status - Living with parents	Yes		Pass		No
PR11A	Employment status - Full time	Yes		Pass		No
PR11B	Employment status - Part time	Yes		Pass		No
PR11C	Employment status - Self employed	Yes		Refer		No
PR11D	Employment status - Retired	Yes		Refer		No
PR11E	Employment status - Students	Yes		Refer		No
PR11F	Employment status - Benefits	Yes		Refer		No
PR12A	Exclude loan upto and including (£0) from credit checking	Yes	0	Yes		No
PR13A	Maximum age limit during the term of the loan	Yes	65	Fail	Pass	No

LACE – Credit Report Rules

Kesho have defined a set of 'Credit Union Policy Rules' and 'Credit Report Rules'. You have the option to tailor these rules to suit your credit union requirements.

Options for 'Credit Union Policy Rules'

- **Active** - Does exactly what you would expect! Validate or skip this rule.
- **Min value** - Set the lowest value for the rule.
- **Max value** - Set the maximum value for this rule.
- **Band** - If the result falls within the min/max value, set the status to either Pass / Refer / Fail

Rules management

Internal and external rules management

Credit Union Policy Rules | **Credit Report Rules**

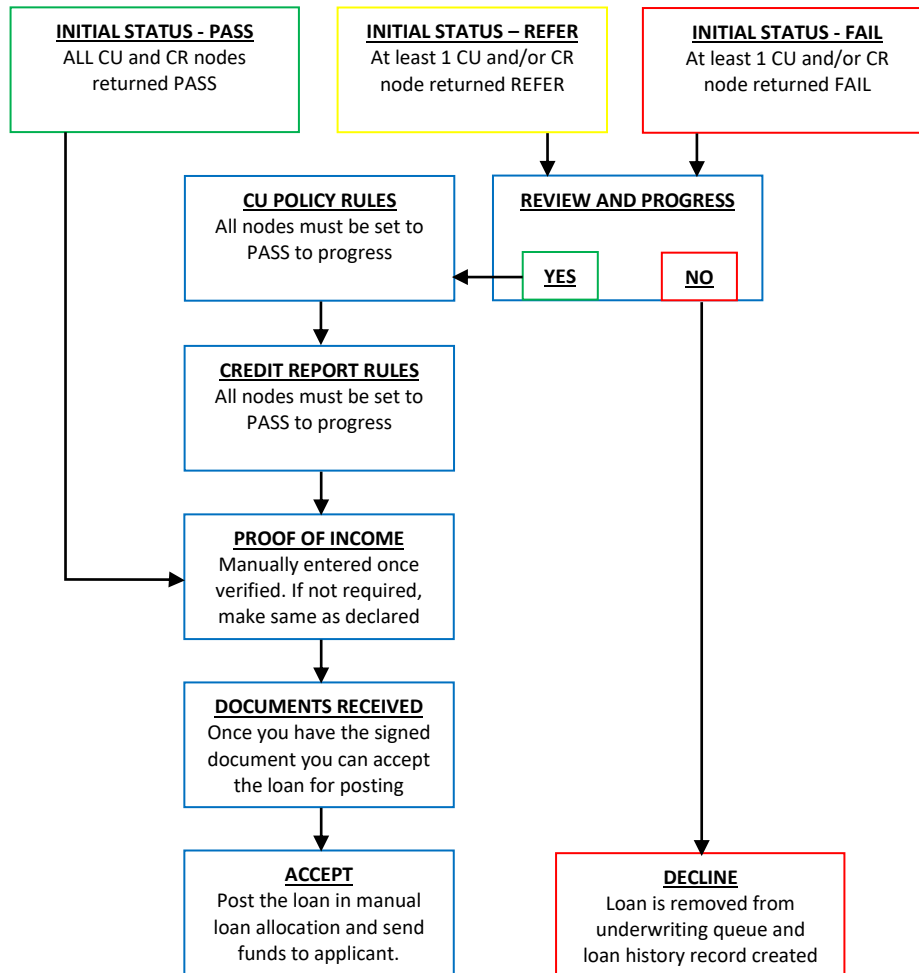
£1.00 - £1,000.00 | £1,000.01 - £15,000.00

Code	Policy rule	Active	Min value	Max value	Band
CR01A	Not found on electoral role	Yes			Fail
CR02A	Credit history - CCJs	Yes	1	1	Refer
CR02B	Credit history - CCJs	Yes	2	9999	Fail
CR02C	Credit history - Bankruptcy/DRO	Yes	1	1	Fail
CR02D	Credit history - Insolvency	Yes	1	1	Fail
CR02E	Credit history - IVA	Yes	1	1	Fail
CR03A	Number of delinquent accounts in past 12 months	Yes	1	1	Refer
CR03B	Number of delinquent accounts in past 12 months	Yes	2	9999	Fail
CR03C	Number of defaults in past 12 months	Yes	1	1	Refer
CR03D	Number of defaults in past 12 months	Yes	2	9999	Fail
CR03E	Number of defaults in past 36 months	Yes	1	2	Refer
CR03F	Number of defaults in past 36 months	Yes	3	9999	Fail
CR04A	Notice of corrections found	Yes	1	9999	Refer
CR05A	Searches performed - 0 to 3 months	Yes	1	10	Refer
CR05B	Searches performed - 0 to 3 months	Yes	11	9999	Fail
CR05C	Searches performed - 3 to 12 months	Yes	1	10	Refer
CR05D	Searches performed - 3 to 12 months	Yes	11	9999	Fail
CR06A	Credit card indebtedness as %age of limit	Yes	75	95	Refer
CR06B	Credit card indebtedness as %age of limit	Yes	96	9999	Fail
CR06C	Overall indebtedness as %age of income	Yes	75	95	Refer
CR06D	Overall indebtedness as %age of income	Yes	96	9999	Fail
CR06E	Reserved for future use	No			Refer
CR07A	Score - New applicant	Yes	0	519	Fail
CR07B	Score - New applicant	Yes	520	599	Refer
CR07C	Score - Existing applicant	Yes	0	519	Fail
CR07D	Score - Existing applicant	Yes	520	599	Refer
CR07E	Score - Promo applicant	Yes	0	300	Fail
CR07F	Score - Promo applicant	Yes	301	499	Refer
CR08A	CIFAS	Yes			Fail
CR09A	Existing credit repayments as %age of disposable income	Yes	50	75	Refer
CR09B	Existing credit repayments as %age of disposable income	Yes	76	9999	Fail
CR10A	Perform an automated eIDV search (new members only)	Yes			

Create defaults for Credit Report Rules | Bands | Print | Save | Exit

LACE – Underwriting queue

The underwriting queue gives an overview of all pending loan applications. Here you can progress a loan to an 'Accept' status which is required before the loan can be posted. The following steps give an overview of what is required before a loan can be accepted. At any stage whilst the application is pending, you can mark it as 'Declined', which will remove it from the underwriting queue and store in the members loan history.



LACE – Underwriting queue

This screen allows you to do the following:

- View all pending application and their current stage.
- Review the credit union and credit report results.
- View the credit report return which is stored within the members scans
- View the key information submitted on the application in summary format.
- Filter what information is presented within the grid. i.e. Pending, Archived, PASS only etc.
- Email the member using predefined templates which you can customise.
- Print, Export or Upload documents associated with the product.

The screenshot shows a web application window titled "LACE underwriting queue". At the top, there is a search bar with the text "Select an application from the grid or use the [Filter] button to refine the results shown." and a "Filter" button. Below this is a tab labeled "Applications". The main area contains a table with the following data:

Member No	Name	Product	Loan No	Doc ref	Existing loan	Advance	Term	Frequency	Teller in app	Time in app	Time in queue	Status
1	Mr Henry Cavill	L1	28	134679	1310.07	1500.00	12	Monthly				Imported

At the bottom of the interface, there is a summary bar with several colored buttons: "All pending: 1" (blue), "Pass: 0" (green), "Refer: 1" (yellow), "Fail: 0" (red), "Loan checked out" (cyan), "Awaiting PDI: 0" (white), "Awaiting docs: 0" (white), and "Docs received: 0" (white). An "Exit" button is located in the bottom right corner.

LACE – Underwriting queue (continued)

A loan can only be progressed to an 'Accept' status once all 'Credit Union Policy' and 'Credit Report' bands have been set to pass. As you will see from the screen below, the initial status is recorded, and you have the option to set the current band. Setting the new status to pass ensures that each Fail/Refer has been acknowledged and updated to a pass band. This way nothing is overlooked, and a loan is not paid out in error.

Credit agency search results						
Code	Policy rule	Rule value	Actual value	Initial band	Current band	
CR04A	Notice of corrections found	1-99	0	P	P	
CR05A	Searches performed - 0 to 3 months	1-10	2	R	R	
CR05B	Searches performed - 0 to 3 months	11-999	2	P	P	
CR06A	Credit card indebtedness as %age of limit	95-100	NotFounc	P	P	
CR06B	Credit card indebtedness as %age of limit	75-95	NotFounc	P	P	
CR06C	Loan indebtedness as %age of income	95-100	NotFounc	P	P	
CR06D	Loan indebtedness as %age of income	75-95	NotFounc	P	P	
CR06E	Mortgage indebtedness	-	NotFounc	P	P	
CR07A	Score - New applicant	3999-100	583	F	F	
CR07B	Score - New applicant	001-1750	583	P	P	
CR08A	CIFAS	-	NotFounc	P	P	
CR09A	Existing credit repayments as %age of	50-75	NotFounc	P	P	
CR09B	Existing credit repayments as %age of	76-9999	NotFounc	P	P	

Credit union policy results Credit agency policy results

The applicants' income and expenditure figures must also be verified. You will see the declared amount which comes from the online application, you simply need enter the actual values once you have proof of income and the members outgoings.

	Declared	Actual	Variance
Income	2000.00	2000.00	+0.00%
Expenditure	900.00	950.00	-5.56%
Notional expenses	200.00	200.00	0
Surplus	900.00	850.00	-5.56%

A repayment of £253.41 is 29.81% of the applicants disposable income.

We use colour coding to draw your attention to variances for income, expenditure and the affordability of the loan repayment. The following bands will determine the colour displayed.

- **Income**
 - Red – If there is a reduction of more than 10% of the declared value
 - Amber – There is a reduction between 1% and 9% of the declared value
 - Green – The value is equal to or greater than the declared value.
- **Expenditure**
 - Red – If there is an increase of more than 10% of the declared value
 - Amber – There is an increase between 1% and 9% of the declared value
 - Green – The value is equal to or lesser than the declared value.
- **Repayment**
 - Red – Loan repayment is more than 70% of disposable income
 - Amber – Loan repayment is between 30% - 70% of disposable income
 - Green – Loan repayment is less than 30% of disposable income

LACE – Underwriting queue (continued)

Another feature of the underwriting queue is the ability to send emails and documents to the applicant. There are six email templates to choose from and you have full control to customise them. You will need to have priority level 1 and know the special password to edit the templates. This will ensure consistency when corresponding with your applicant. You can also insert member information within your template to make it more personal. Any emails sent are recorded within the 'Diary' with a keyword of LOANQ. This way you can keep track of who is sending what and when. In this example, sending the POI email will result in the application automatically updated to show 'Awaiting POI'.

Pass Refer Fail **POI** RPost Ad hoc 1 Ad hoc 2

POI Template

<T> <F> <S>

You are almost there! We just need to see your last 3 payslips and 3 months worth of bank statements.

You can upload these via <URL2> quoting your reference of: <CREF>

Regards
Your Credit Union

Edit templates Close legend Preview Send email

Email legend

Merge tag	Description	Merge tag	Description
<T>	Title	<CUNAME>	Credit union name
<F>	Forename	<REGNO>	Firm reference number
<SN>	Surname		
<7>	Future date - one week ahead		
<14>	Future date - two weeks ahead		
<CREF>	Customer reference		
<URL>	LACE online application link		
<URL2>	Document upload link		
<AMT>	Loan amount		

HTML tag	Description
 	Bold
<I> </I>	Italic
 	New line

Documentation can be sent in four different ways.

1. **Printed** - A hard copy is produced to be posted to the member. (*recommended for new members*)
2. **Save to PDF** – Adobe PDF file is created which can be emailed or sent via a third-party e-signature company.
3. **Members' Area** – Provided the applicant is registered for online banking, documents can be uploaded to the Members' Area. These can then be downloaded, printed and signed by the member.
4. **RPost** – This creates a PDF and emails the applicant; this document is then digitally signed.
(*This requires an account with RPost*)

In the same way that when an email is sent, a diary message is logged on the members account for audit purposes. The status of the application is automatically updated to show 'Awaiting docs'.

Once the loan is approved it is removed from the underwriting queue and made available for posting to the members account in the normal way.

If a loan is declined, it is removed from the underwriting queue and marked as declined for future reference.

Loan Application:

Loan Agreement - Error: Doc not found

N/A

N/A

N/A

N/A

N/A

N/A

N/A

N/A

Email will be sent to: support@kesho.co.uk

Member's preference is to receive document(s) electronically