Start Accepting More Creditworthy Customers

5 Reasons to Give Rejected
Credit Applicants a Second Look

ACCELITAS®

Introduction

Small-dollar loans, leases, and other credit products always involve an element of risk. Say "yes" to every applicant, and you risk losing too much money to charge-offs. Say "yes" to too few applicants, and you miss out on revenue from profitable customers.

Every lender rejects customers. But sometimes it's worth giving those rejected customers a second look, using advanced data analytics to find overlooked indications of creditworthiness.

Re-evaluating these customers and saying "yes" to a portion of them can grow profits and deliver an ROI of 30:1 or higher.

Here are five reasons to give rejected accounts a "second look" and another chance to become profitable customers.

Reason #1

THE MARKET FOR NON-PRIME CUSTOMERS IS GROWING.

According to the FDIC, about 17 million adults in the U.S. do not have any kind of traditional banking account, and another 52 million have a single banking account but use alternative financial services to pay their bills and manage their finances.

Together, these populations generated $1.6 trillion in principal, transactions and deposits in 2015, representing over $141 billion in revenue for financial services organizations.

This is a big, important market. And its members continue to have difficulty getting credit. Many are actively seeking help with cash flow, bill payments, and credit for basic goods such as furniture.

All the more reason to give applicants a second look — an applicant might turn out to be a **PROFITABLE, REPEAT CUSTOMER** and a valuable reference for new business in a growing market.

$141 BILLION

Reason #2

TRADITIONAL SCREENING SERVICES OFTEN OVERLOOK INDICATIONS OF CREDITWORTHINESS.

The account-screening services used by many fintech companies and alternative lenders often overlook indications of credit-worthiness for non-prime customers.

Too many of these services are tuned for assessing the credit-worthiness of prime customers who have a long track record of opening and maintaining financial accounts.

When applied to non-prime customers, these services are incapable of finding hidden signals of creditworthiness.

To **MAXIMIZE REVENUE GROWTH** in this market, lenders and other financial organizations need a **VARIETY OF SCREENING SERVICES** and analytical approaches. Even a carefully designed loan-decisioning engine might overlook creditworthy consumers that an alternative analytical approach might discover.

Reason #3

YOU'VE ALREADY ACQUIRED OR PAID FOR THESE LEADS.

Many lenders and fintech companies pay for leads for non-prime consumers. Leads may cost up to $200 each.

In addition, companies have often invested in advertising and web sites — sunk costs applied to the acquisition of leads.
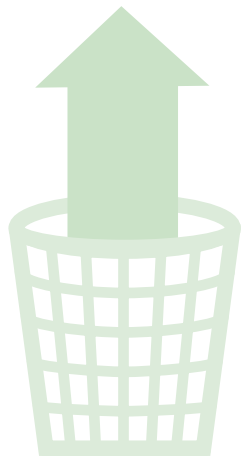
Once you've paid for these leads, it makes sense to analyze them carefully to **ENSURE THAT NO BUSINESS OPPORTUNITY IS OVERLOOKED.**
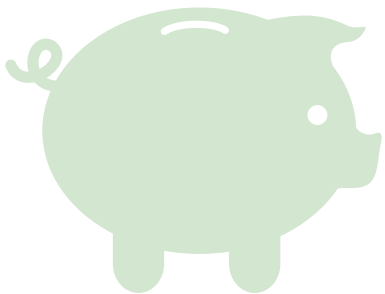
Reason #4

BECAUSE "SECOND-LOOK" QUERIES ARE RUN ON ONLY A PORTION OF APPLICANTS, EXPENSES ARE LOW.

"Second-look" analytics are run only on a subset of a company's overall applicants, thereby limiting expenses.

These queries never need to be run on approved accounts. And they might need to be run only on a subset of rejected accounts.

Some rejected accounts might score so poorly that they do not deserve any kind of second look. But other rejected accounts that score within a particular range with some other screening service might merit a second look.

If "second look" queries are reasonably priced, you can take a second look without incurring high costs. And remember—

YOU'VE ALREADY PAID FOR THESE LEADS.

Reason #5

SECOND-LOOK ANALYSIS CAN SUBSTANTIALLY GROW REVENUE.

Turning rejected accounts into approved and profitable accounts is an obvious way of growing revenue.

Because non-prime customers are often repeat customers of the companies that trust them, there's a good chance that any lender that converts these accounts to paying customers will have multiple opportunities for revenue from each account.

The need for non-prime financial services is growing. Competition in this market is increasing.

By taking a **SECOND LOOK** at rejected accounts and converting some of these accounts into profitable customers, you can **GROW YOUR REVENUE** and your customer base, strengthening your company's position in this fast-moving market.

Discover the Benefits of AI Lift

AI Lift is part of the **Accelitas Accelerated Insight Platform** of web services delivering data-driven insights for onboarding customers in financial services and other critical markets.

AI Lift is a real-time web service that can be easily be incorporated into loan-decisioning platforms and data waterfalls. The service applies patented Machine Learning techniques to analyze rejected financial applications for any overlooked indications of creditworthiness, enabling companies to say "yes" to profitable applicants they would have otherwise have rejected.

When two non-prime lenders recently applied AI Lift to their loan-decisioning processes, they found many overlooked accounts that turned out be creditworthy and profitable.

AI Lift enabled both these lenders to grow revenue and achieve a remarkable ROI of 30:1 or higher.

30:1 ROI

REQUEST A FREE TEST

Accelitas is offering free tests of AI Lift, analyzing rejected accounts for overlooked signs of creditworthiness. Within 30 days, you will receive a report detailing which accounts could have been offered credit.

sales@accelitas.com or call 415-842-7700 ext.1

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About Accelitas

Accelitas® is reimagining financial access through the transformative power of data. Our AI-powered predictive analytics and alternative data sources deliver fast, fair, and frictionless ways to help businesses grow. Powered by the realtime web services of its Accelerated Insight® Platform, the company provides innovative ways to seamlessly validate accounts, accept more creditworthy borrowers, and streamline payment services.

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