

## Retailer Direct: MicroLender

**Lender\*VP makes it easy to offer Pay Day Advance loans to your members — and the community**

The prevalence of Pay Day Advance locations is increasing and their services are used by more and more customers every day. You see their stores on street corners and their ads on the television.

You see that you can counter the predatory lending practices of the traditional Pay Day Advance Lenders and offer this service as a value added service for your members and the community at large. Plus you see that an opportunity exists to forge new relationships with people who formerly have not have a relationship with a financial institution.

You are ready for your credit union to begin offering Pay Day Advance loans.

## Introducing MicroLender

The time has come to add Pay Day Lending to your lending portfolio! CU\*Answers and Lender\*VP are leading a new initiative so that you can begin offering them with very little start up time. Called MicroLender, this new easy-to-use online loan servicing product makes it a snap to offer Pay Day loans. With MicroLender you can offer this cost-effective, CUSO delivered solution to meet the market driven need. Considering offering Pay Day loans at a vendor location? With this web tool, you can offer Pay Day Advance loans within your credit union walls or at another location.



This Pay Day loan offering is a win-win proposition for both you and your borrowers since you can offer a more competitive fee structure on your loans while still making it a profitable venture for your credit union. Along with the more reasonable rates, you can also help borrowers overcome their financial struggles by offering credit counseling. Just look at the impact one credit union has made by watching a video of their story!

You are ready for your credit union to begin offering Pay Day Advance loans.

### Retailer Direct: MicroLender By Your Lending Institution

Dashboard New Application My Settings Collections Control Panel Reports Logout

#### Dashboard

#### Search

Search by name or social security number.

 

#### Current Loans

Current	Pending	Denials	Past Due	Written Off	Paid			
Name	Loan	View	Make a Payment	Rollover	Charge Off	NSF	Hold ACH	
Smith, John	\$219.80 due on 03/29/2008	View	Make a Payment	Rollover ()	Charge Off	NSF	Hold ACH	
Jones, Mary	\$510.00 due on 03/28/2008	View	Make a Payment	Rollover ()	Charge Off	NSF	Hold ACH	

*"We see a real need in the marketplace today to offer this solution, whether you are interested in opening a Pay Day Lending store outside your credit union or in your physical building."*

Geoff Johnson, COO

## The Future of MicroLender

Very little start up time is needed for your credit union to begin offering the MicroLender solution. Plus, the web tool is easy to learn so your staff will be up and running quickly. Additionally, CU\*Answers has developed a relationship with an ACH originator provider for credit unions who need to add this service in order to collect on their loans through ACH transfers.

The MicroLender's web-based product is just the beginning of CU\*Answers commitment to the CUSO to deliver quality Pay Day Lending tools, however.

Borrowers have the option to receive their loans on a plastic card with an accompanying PIN. This money will then be redeemed at an ATM or in a vendor's debit card reader. This card could be reused if the borrower needed an additional loan at a later date. An obvious advantage of this cash-less option will be that it requires less staffing on your part.

## How Does MicroLender Work?

Because MicroLender is a web-based product, you can use it within your brick and mortar walls or at another servicing location, which only adds to the possibilities of how you can use it. When the customer comes to your location, your teller fills out MicroLender's online application based on the information the customer supplies. The web automatically disallows a member of the military or the spouse or child of a service member from receiving a Pay Day Advance loan. Additionally, MicroLender will deny a loan to a borrower who already has a Pay Day Advance loan with your institution or who has his or her Social Security number on the blocked numbers list.

Once the consumer information is entered and the application is completed, it is submitted to CLVerify, a Pay Day Lending Report provider. CLVerify contains information on all Pay Day Advance lending in a database that is updated daily. CLVerify determines whether the customer is a risk, matching the borrower's information against several factors such as matching Social Security number and phone number, number of NSF's on the customer's bank account, and the time it took the customer to repay his or her prior Pay Day Advance loans.

With that information as well as the credit score selected by your credit union, CLVerify returns an automated response to approve or deny the loan application. Additionally, credit union parameters configured in MicroLender also evaluate the loan application and its risk. If a credit union decides that it wants to approve more loans, it simply lowers its required credit score and CLVerify will adjust its response.

The screenshot displays the 'Retailer Direct: MicroLender' web application interface. At the top, a navigation bar includes links for 'Dashboard', 'New Application', 'My Settings', 'Collections', 'Control Panel', 'Reports', and 'Logout'. Below this, a 'Loan Application' section is active. The form is divided into three main sections: 'Personal Information', 'Address Information', and 'Bank Information'. Each section has a corresponding summary box on the right. The 'Personal Information' section includes fields for SSN, First Name (John), Middle Name, Last Name (Smith), Suffix, Date of Birth (09/25/1948), Email Address, Drivers License (Michigan), and a checkbox for 'Did you verify photo identification?'. The 'Address Information' section includes fields for Street (123 Easy Street), City, State, Zip (AnyCity, Michigan, 99999), Time at residence (5 Years, 6 Months), Home Telephone (555-555-5555), and Mobile Telephone. The 'Bank Information' section includes fields for ABA Routing Number, Account Number, Checking Account Balance (\$ 0.00), Number of Transactions on Statement (0), and Number of NSF on Statement (0).

## Retailer Direct: MicroLender By Your Lending Institution

Dashboard New Application My Settings Collections Control Panel Reports Logout

**✓ This Loan Application Has Been Approved!**

Application Number:	396 (QJ3D5P)
Applicant:	Smith, John
CLV Score:	450
Amount Requested:	\$200.00 Override Principal
Payback Date:	04/18/2008
Fees:	\$9.90 Override Fees
Total Amount Due:	\$209.90

Complete this Loan

Withdraw this Loan

**Lending Reports**  
View XML Report  
Samples  
View XML Report  
View Full Report  
Note: This report has been archived in the Storage Vault for future reference.

If the loan is approved, then the MicroLender moves to the approval page and then to the processing page (shown here) which prompts your employee to print the appropriate forms to process the loan.

## Retailer Direct: MicroLender By Your Lending Institution

Dashboard New Application My Settings Collections Control Panel Reports Logout

Application Number:	384 (QJ3NKV)
Applicant:	Smith, John
CLV Score:	461
Amount Requested:	\$200.00
Payback Date:	03/29/2008
Fees:	\$19.80
Total Amount Due:	\$219.80

**Print These Forms**  
Loan Application  
Membership Application  
Truth-In-Savings Disclosure  
Privacy Policy  
Term & Conditions

**Lending Reports**  
View XML Report  
CL Verify  
CL Verify  
Samples  
View XML Report  
View Full Report  
Note: This report has been archived in the Storage Vault for future reference.

Fees are assessed but can be overridden, for example if you offer a promotion to pay the fees for a first time borrower. The customer receives the loan, agrees to pay the money back within a prescribed length of time and leaves with his or her money in hand. It is as simple as that.

MicroLender provides a comprehensive system for managing your Pay Day Advance loans. It even moves the loans into collections if the need arises.

## What about Managing the Loan...and Collections?

Once the loan is processed, MicroLender's robust loan management software comes into play as the loan is maintained on the system. Of course, you can apply payments toward the loans, but the management does not stop there. Additionally, selected credit union personnel can process the loans if needed with added services such as applying rollovers, adding NSF charges or applying ACH holds on the loans.

**Actions**

Make a Payment	Hold ACH
Rollover ()	Charge Off this Loan
Notes	Block this SSN
History	Manually Mark Loan Past Due
Print Original Forms	Manually Put Loan in Collections
Print Current Status Forms	View XML Report
	Withdraw/Void this Loan
	Add NSF Charge to Fees
	Freeze/Thaw Client
	Reset Loan Information

If the loan is not paid in full by the time it is due, the loan automatically appears in the collections queue and can be worked by collectors. This allows your collections personnel to have an organized location that only they can access. Notes to borrowers and tracking of the loan are available throughout the life of the loan. If charge-offs are needed, MicroLender handles this process as well.

## Retailer Direct: MicroLender By Your Lending Institution

Dashboard New Application My Settings Collections Control Panel Reports Logout

**Collections Queue**

Name	Amount	Due	Last Note	Actions
Smith, John	\$219.80	03/29/2008	No Date	Notes History View Freeze/Thaw Client Make a Payment
Jones, Mary	\$510.00	03/28/2008	No Date	Notes History View Freeze/Thaw Client Make a Payment

## I'm Interested! How Do I Sign Up?

If the MicroLender solution for Pay Day Advance loan sounds like something you would like to offer your members, let us know—we'd like to get you started! The first step is to tell us of your interest by contacting the Lender\*VP team at [lendervp@cuanswers.com](mailto:lendervp@cuanswers.com).

Our web team at CU\*Answers will then contact you and help you determine a solution that is right for your credit union. At this step there are options for you to consider including fee structure and loan approval settings. You will be asked to fill out a configuration form to aid us in setting up your site.

Your site will be available within 30 days from the time you return the form. We will walk you through the setup with CLVerify and ACH origination, if necessary, as well.

After an initial beta site is tested, you will be ready to offer Pay Day Advance loans! On-screen help is available to aid your staff in quickly learning the product. Additionally, online training is offered free of charge (as well as in-person training at an additional charge).

## Timeline for MicroLender Loans

### Step 1

#### Contact Lender\*VP with your interested in MicroLender

Email [lendervp@cuanswers.com](mailto:lendervp@cuanswers.com)

### Step 2

#### Discovery and Set Up

We will contact you to discover a solution for you and you'll be asked to complete a configuration form.

### Step 3

#### Additional Set Up and Testing (within 30 days)

We will configure your connection to CL verify and ACH transactions if needed. A Beta site will be tested.

### Step 4

#### Training is Offered

Online training is offered free of charge. On-screen help will also assist your staff in quick adoption.

### Step 5

#### Begin offering Pay Day Advance loans

You are now ready to offer this new loan product to your members and the community.

## Discover More:

CU\*Answers Lender\*VP

6000 28th Street SE

Grand Rapids, MI 49546

616.285.5711

[www.lendervp.com](http://www.lendervp.com)