FINASTRA

SBDC Sales Enablement FAQ

Responses to common questions

Why is SBDC data not collected separately in Finastra retail lending products?

Early Collection: Regulation B requires that collection of applicant demographic information occur early in the application process before a credit decision is made on the application. For many commercial lenders, this occurs before transaction information is entered in a loan origination system (LOS). The SBDC module was designed with flexibility in mind, providing processors or loan officers with a simplified data collection screen where they can enter early application data in a cloud-native stand-alone solution without needing access to retail lending products that they may not currently use.

Flexibility: New transactions can be created as stand-alone transactions in the SBDC module, imported to the SBDC module in bulk from an outside LOS system, or created from, and linked to, a transaction in an integrated Finastra product (Originate, CreditQuest, DecisionPro, or LaserPro). No matter where or how a transaction is created, lenders will be able to access that data from any integrated product during the entire application lifecycle. Data collection that begins on a loan officer's tablet in the field can be finalized by processors in LaserPro prior to closing with data integrity and security assured at each step in the process.

Re-use: With all your transactions stored in a single database, lenders are able to maximize their ability to reuse select data as permitted by Regulation B, particularly small business applicants' demographic information. Re-use eliminates the need for time consuming duplicative collection efforts, assures that lenders are only requesting demographic information from small business applicants when absolutely necessary and shortens time to close.

Why was the SBDC module built in LaserPro Compliance Reporter, a reporting solution that few employees currently have access to?

Two separate workflows: Similar to HMDA, the SBDC module has a data reporting workflow that supports the review and scrubbing of multiple reportable transactions prior to export to the CFPB's reporting platform or other third-party fair lending solutions. Because of this similarity in reporting requirements, building this functionality in LaserPro Compliance Reporter allowed for re-use of the infrastructure already available and provides for a common user experience that reduces the need for additional training.

However, the SBDC module also has a second, completely separate data collection workflow that is unlike anything that currently exists in Compliance Reporter. This new data collection workflow provides a simplified collection window devoted to initial data collection, that can be launched directly from Finastra's retail lending products to ensure a seamless data collection experience. .

Configurable user experience: New User Roles and Permissions in Compliance Reporter allow administrators to determine whether their users will be provided with the ability to use the SBDC tool solely as a data collection tool, as a data scrubbing and reporting tool, or both.

CFPB dataset limitations: For many small business lending data points the prescriptive nature of the CFPB data set makes a compliant 1:1 mapping from existing lending product data fields difficult, and at times impossible.

This means that we'd have to add individual data collection fields to each Finastra retail lending product. Instead, we created a single data collection window that can be launched from each product, that ensures the same look and feel regardless of what retail lending products financial institutions use.

Why should I buy now?

Establish best practices: Financial institutions can optionally collect demographic data up to 12 months prior to their required compliance date. (Optional collection can begin as early as 7/18/24 for tier 1, 1/16/25 for tier 2, or 10/18/25 for tier 3.) This optional collection period provides additional time to ensure they have established a workflow that meets their institution's policies and implement best practices to ensure the regulation is properly executed. It also provides institutions the opportunity to collect and analyze data for any fair lending concerns before it is required to be reported.

To enhance financial institutions' visibility into their lending team's execution of demographic data collection and meet the requirement for monitoring demographic data, our team is implementing a set of reports and audit tracking. These tools will guide institutions as they prepare for compliance effective dates.

Partner with Finastra as reference customer: Customers who take advantage of purchasing the SBDC module early and agree to participate as a reference customer, can take advantage of additional pricing discounts (at the discretion of the product leadership team).

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