



Work Like Tomorrow.™

Simplify Consumer Lending with Paperless Signing

Accelerate sales and satisfy customers with digital convenience

KOFAX



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Maximize Your Commitment to Consumer Loan Origination

For high-value transactions relating to consumer lending, such as automotive and mortgage loans, companies commit significant effort and budget into learning about their prospects so they can improve the likelihood of getting those prospects to buy from them.

Then, during the sales process, employees must overcome consumer objections while narrowing in on the best set of options for each consumer—before finally finalizing the sale.

Clearly, getting your prospect to the signing ceremony has been the result of many steps. Too often, the need for signatures in wet ink brings the sales process to a sudden pause while paper is printed, copied, signed and stored.





Why the Time Is Right for Paperless Signing

For consumer loan origination in our digitally evolving world, the simple truth is that electronic signature capabilities are necessary to stay competitive. In addition to keeping up with customer expectations, paperless signing also reduces per-transaction costs and takes the burden of paper out of financing, while reducing fraud and increasing the availability of relevant metrics. When the right solution is implemented, e-signatures speed and streamline retail financing.

Paperless signing is more than just one aspect of establishing smooth, digital processes. It's a key component without which lenders can't achieve seamless digital transformation. As long as your company lacks true paperless signing capabilities, you risk:

- **Lost revenue** resulting from cumbersome and slow, manual or paper-based application processes
- **Dissatisfied consumers** who abandon applications
- **Opportunities lost to competitors** who offer a more comprehensive e-signature solution
- **Confidence** in compliance- and audit-readiness, due to hard-to-track manual processes

Strategically speaking, the time is now to review and update your loan signing process, especially if it's paper-based.



After working hard to close the sale, you don't want to lose it when your customers see a stack of papers at the financing desk. This is particularly true for emotion-led purchases such as autos, boats and recreational vehicles. The goal is to close the sale while your customer is still enthralled with their decision. As long as your loan signing requires paper, you risk losing the customer, the transaction and the referral source.

The influences that make paperless signing a pressing issue for consumer loan origination can be described as follows:

It's About the Customer Experience

The precedent has been set: digital transformation has changed consumer expectations.


As consumers, we already rely on digital channels for convenience when it comes to ordering just about anything—gifts, food, lodging, travel—from the convenience of our mobile devices. Your customers expect the same digital ease when utilizing other products and services—including loan origination.

Many companies are delivering refined, simple and immediate digital experiences across multiple channels; this is the bar where consumer expectations now sit. Asking customers for a wet ink signature on a paper document increasingly represents a conspicuous and significant interruption to an otherwise nimble digital process. Lenders and banks who aren't able to digitally transform the customer experience will be left behind by their customers/borrowers.

Technology Has Moved Beyond Wet Ink Signatures

E-signature technology has been evolving for decades and is now a key component of seamless digital processing. It's not just that the signing ceremony itself is expected to be digital versus paper-based, though this is certainly true. A broader perspective reveals that organizations that are able to utilize single-platform architecture when deploying paperless signing will have the most flexibility and future-readiness.

Organizations without these capabilities will have a harder time winning and keeping customer loyalty, as systems become outdated and shortcomings become transparent to end users and consumers.



“To capture the hearts, minds and wallets of customers, banks will need to accelerate their digital transformation and reconfigure each channel to serve every need customers have.”

—Deloitte Insights, *Accelerating Digital Transformation in Banking*, 2018

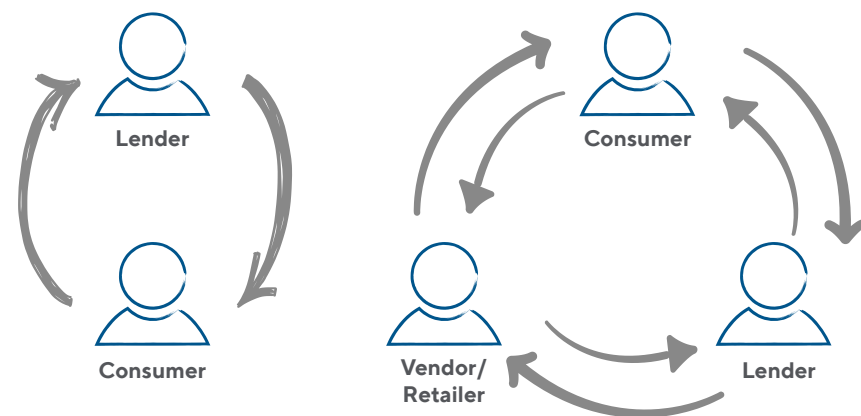
The Lender-Vendor-Consumer Connection

Consumer loan origination includes two or three interconnected parties:

- The lender is the institution providing the financing
- The vendor is the retailer selling the product being financed
- The consumer is the purchaser of the product being financed

These three roles rely on each other—like the legs of a stool. Paperless signing impacts all three, and therefore the consumer loan origination process overall.

A leading e-signature solution should be able to support both direct customer-to-lender business, as well as processes where in-store loans are provided (for example, car dealerships).



Process Costs Are High and Margins Are Shrinking

Margins continue to shrink for many types of loans and lines of credit, which means manual processes are quickly becoming too expensive to be sustainable while simultaneously competing for new customers. As a milestone in consumer loan origination, the signing ceremony is often still paper-based. This has a high cost because manual processes are extremely expensive in terms of time, paper and ink. Manual processes are also quite variable and can be modified without any documentation of the process change. Digital processes, on the other hand, are more predictable and cost-effective over time, which makes maintaining accuracy much easier when managing costs and margins.

Manual Processes Are Too Error-Prone

The departure from digital processes—for example, to capture a wet ink signature—is the moment at which you can no longer rely on one version of the truth to describe that process. Paper also makes it difficult to gather “trailing” documents—such as a copy of identification paperwork—because manual processes make it more difficult to keep track of which documents were sent when, which are still outstanding and which are insufficient. Full auditability is also broken in this scenario, since any analog interactions are not traceable in the way that digital interactions are.

“My contractor is ready to start home renovations, but financing is held up while I wait to get documents overnighted so I can sign and return them. This delay puts the whole project at risk.”

—Randall



How Paperless Signing Adds Momentum to Sales

An electronic signature solution increases a lender's competitive authority in a rapidly digitizing marketplace and is a natural point of entry for comprehensive digital transformation. Paperless signing delivers multiple benefits for lenders, vendors and customers.

Paperless Is What Customers Expect

Customers expect to be able to finalize a contract on the go, via mobile or web, and paperless signing accomplishes this goal. Compare the customer experience of an uninterrupted digital process with a paper-based signing process that is split into multiple separate events. For consumers, paperless signing is akin to other pleasing digital experiences in their lives, and they expect the same frictionless interaction from you.



"I talked to the bank two days ago and now I received their loan offer in the mail. I'm not so sure if this is the best offer. I'll put it aside and do some online research before I sign."

—Eric





Paperless Is Sales-Friendly

Paperless signing meets current customer digital on-demand expectations. It allows sales representatives to capture a customer “in the moment” of the decision, which is often emotionally driven. It’s also important for sales and financing representatives to stay efficient, and digital processing makes best use of their time. Time that would have been spent printing, scanning, saving and sending paper documents can be spent selling and closing deals faster.

Employees will appreciate paperless signing because it enables them to see the sales process through from start to finish without the awkward gaps that leave customers with nothing to do.

Paperless Enables Advanced Auditability

You can’t guarantee full auditability when you rely on manual processes. This is because paper documents can be amended without any record of the interaction. Processes that are digital from end to end, including paperless signing, help you establish true auditability, because every moment in a digital document’s life is traceable.

E-signature technology also offers advanced features that can’t be replicated manually. For example, biometric data, such as signing pressure and stroke length, and even images of the signer, can be captured and attached to the digital document—enhancing fraud prevention, auditability and compliance readiness.



69% of consumers want their entire financial lifecycle on digital channels.

—Oracle, *The New Digital Demand in Retail Banking*, 2018



7 Questions to Assess Your Paperless Signature Capabilities

Consumers expect fluid transactions from start to finish. Answering the following seven questions will help you identify areas where paper-reliant signature processes are impairing your ability to deliver them

1. Are documents being printed for the sole purpose of capturing a wet ink signature?
2. Are sales reps or finance managers spending a lot of time preparing and processing paperwork, then capturing, reviewing and archiving after paperwork is signed?
3. Are paper documents being sent from retail locations to a back office for final review, processing and archiving?
4. Do paper-based processes hinder customer-facing employees from closing sales?
5. Do you frequently receive documents that are of poor quality, or that have gaps in information?
Do you often receive the wrong documents altogether?
6. Do you want your application abandonment rate to be lower than the industry average, typically more than 50%?
7. Are employees unable to complete a transaction entirely digitally, whether online, on a tablet or point-of-sale device?

If you answered yes to any of these questions, you may be losing revenue as a result of paper-based processes. The right e-signature solution will help you deliver the seamless experiences consumers expect, and the reassurance compliance officers want.

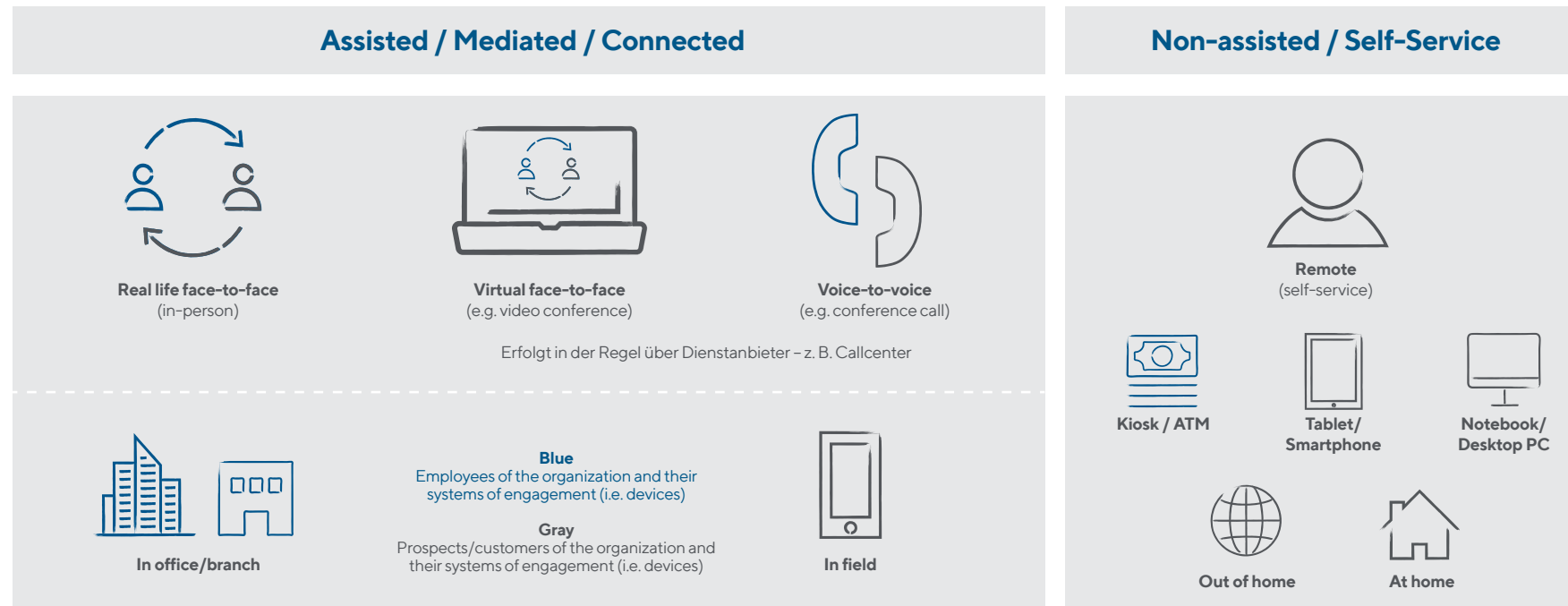


What Are the Must-Haves of Paperless Signing?

Consistency Across Channels

When researching solutions for paperless signing, remember that customers expect consistent functionality across all signing scenarios:

Signing Scenarios



To offer all of these signing options, implement a paperless signing solution that's built on an extensible platform.

In addition to channel consistency, you'll have the flexibility and speed to quickly adapt to consumer, industry and regulatory needs.

Enable Multiple Signing Options

E-signature solutions should be able to handle any signing option in use today, particularly for companies with multiple, global locations. Leading platform-based paperless signing solutions are able to support:

- Click-to-sign
- Biometric capture of handwritten signatures
- Photo signatures
- Signing with a digital certificate
- Capture of trailing documents as part of a digital signing ceremony

Lock Audits to the Document, Not the Vendor

For compliance purposes, it's important that auditable information is stored and accessible as part of the document, versus requiring the participation of a specific vendor to retrieve or review your data.

Easy Implementation

Leading e-signature solutions give you the choice of deploying as a stand-alone product or integrated into existing systems or apps. You should also have your choice of deployment options, including true on-premises deployment that doesn't require a pipeline to the cloud.

To create an ideal consumer loan origination experience, paperless signing should be easy to integrate with related technologies such as mobile capture, business process management, document composition, customer communications management and enterprise content management.

E-Sign Across Devices

Because each signing need drives the selection of the type of device most effective for all parties, paperless signing solutions must be deployable across a variety of devices, including:

- Mobile devices such as phones, tablets and laptops
- Signing pads, either stand-alone or embedded in kiosks
- Desktops, via web portals



“My customer was on the fence about buying this car. Now that he has to wait for multiple rounds of paperwork to be completed and reviewed, he’s about to walk away.”

–Lucy

Comprehensive and Proven

As with any investment, top e-signature contenders should be able to show success in your industry, or in industries that have similar requirements. Global considerations should also be top-of-mind, since many companies do business in territories outside their headquarters, and laws and other regulations must be adhered to everywhere.

It's also important to ensure that your paperless signing solution offers full, not partial, e-signature capabilities that are able to satisfy customers. For example, customers dislike using click-to-sign for in-person transactions, so it's important to provide a paper-like electronic signature experience during face-to-face signing ceremonies.



Can Paperless Signing Increase Revenue?

Keep Customers, Keep Revenue

Because consumers are ready and willing to change vendors when their expectations aren't met, any interruption to a loan process can have a negative revenue impact. You want consumers to have a positive and easy experience during loan origination, and digital transformation makes this possible.

Paperless signing simplifies and streamlines consumer loan origination scenarios, helping to maintain process momentum and reducing the likelihood of consumer walk-out or abandonment. The sales process remains efficient and intact, instead of split into multiple events.



43% of Millennials abandon mobile banking activities because the process took too long or was too complicated.

—Javelin, *Translating Information into Action*, 2019





1 in 3 Gen Zers with a loan used an online lender—2.2 times more than in 2018

— PWC, 2019 Consumer Digital Banking Survey, 2019

Quick Wins for Lenders

Internally, deployment of an e-signature solution is easily quantifiable and can show immediate savings from costs such as printing, scanning, sending and archiving. This is in addition to the enormous cost savings of minimizing manual processes and setting the stage for future growth.

Remove Obstacles to Vendor Financing

Because paperwork is inefficient, costly, distracting and time-consuming, removing this obstacle will result in better and more consistent financing offers for customers. A simplified digital process makes it easier for consumer-facing employees to complete financing, thereby increasing loan origination rates.

Be Ready for Regulatory Scrutiny

Paperless signing helps lenders maintain compliance and audit readiness because a digital process is maintained, versus being interrupted with the need for an ink-to-paper signature. When information is born digital and stays digital, gaps can't form in the audit trail the way they can when processes go from digital to paper and back.

This digital accuracy results in better metrics from a more consistent, traceable process, as well as reduction of fraud opportunity and regulatory fines.



SignDoc Paperless Signing Solution?

SignDoc is a leading, platform-based e-signature solution that gives lenders the agility and consumers the convenience they want.

SignDoc Leverages Platform Power

In this eBook, we've emphasized the importance of selecting not just any e-signature solution, but a leading solution. This is a vital consideration for organizations wishing to stay competitive, because e-signature offerings that can't scale and flex to changing requirements will only become obsolete.

SignDoc is built on platform technology that offers maximum flexibility. This allows you to deploy SignDoc as a standalone solution now, without limiting your ability to expand in the future. Because the technology powering SignDoc is so flexible, it can be optimized for just about any signature need, including consumer loan origination.

Your Choice of Signing Options

- Click-to-sign
- Handwritten signature, popular for in-person signing scenarios
- Photo signature
- Signing with a digital certificate
- Capture of trailing documents during the signing ceremony

Your Choice of Secure Deployment Options

- Cloud deployment for convenient, anytime-anywhere access to data
- On-premises, with no open pipeline to the cloud needed
- Embedded in desktop, browser or mobile app to create an integrated flow for employees and customers



SignDoc Gives Compliance Officers a Break

Lenders must meet the e-consent requirements of numerous regulations, including the US ESIGN Act, EU Regulation 910/2014 (eIDAS), and various regulations enacted by the Consumer Finance Protection Bureau (CFPB) which include or affect electronic signatures. To stay competitive, you must jump through these compliance hoops while also providing an optimal consumer experience.

National laws pertaining to loan contracts may require applying e-signatures based on digital certificates. SignDoc supports signing with various forms of certificates, including certificates issued by Trusted Service Providers. Individual nations also have laws affecting e-signature. For example, national laws in some EU countries require loans to be e-signed with Qualified Electronic Signatures (QES). This signature type is based on qualified certificates, issued by qualified trust service providers, and can be tied into the signing process by SignDoc. The creation of Advance Electronic Signatures (AES) based on digital certificates is supported as well.

With advanced features such as biometric capture, multi-factor authentication, support for third-party digital certificates, and the inclusion of trailing documents captured at the time of signing, SignDoc gives you all the tools you need to achieve the delicate balance required to maintain global regulatory compliance.

SignDoc includes the audit trail within the document, accessible via a standard PDF reader, with no third-party or server-based verification required. Unlike other solutions that only allow for the signing of an “envelope” containing multiple documents, SignDoc enables you to have consumers sign each document separately, adding finer control to signing and audit capabilities.

SignDoc Is Integrated Easily and Quickly

Paperless signing is the perfect entry point for digital transformation efforts, and SignDoc makes this especially painless with easy and deep integration. Leverage predefined standard signing ceremony workflows, or embed electronic signature technology deeply into your existing infrastructure through SDKs, browser-based middleware or desktop client and plug-ins.

Designed with easy integration in mind, SignDoc works well with other solutions such as mobile capture, business process management, document composition, customer communications management and enterprise content management.



Digital transformation can result in higher customer satisfaction rates of 5% to 25%, productivity gains of 35% to 50%, and improvements in employee satisfaction from 5% to 25%.

—Forbes Insights,
Accelerating Business Value with Intelligent Automation, 2019

Case Study: Cetelem



Cetelem Introduces E-Signing for Loan Contracts

Cetelem Slovakia implemented SignDoc via in-branch tablets to allow customers to sign instantly. The SignDoc solution captures biometric data, meeting Cetelem's objectives and aiding regulatory compliance. Cetelem's retail partners realized increased sales and much-improved cash flow, and Cetelem accomplished their goal of becoming a paperless organization.

Results

- Reduced time-to-finance from three days to three hours
- 25% OPEX savings in year two
- 60% decrease of customer onboarding time
- Savings of more than 1.6 million sheets of paper per year
- 91% of customers prefer signing on tablet over paper





Summary

As a foundational component of digitizing consumer loan origination, paperless signing requires a comprehensive, mature solution. Kofax SignDoc improves consumer loan origination by satisfying customers who expect the ease and convenience of an end-to-end digital process.

SignDoc gives you the technology you need to compete with leading lenders and to set the stage for further digital transformation. Compliance-ready worldwide, SignDoc provides finer control over auditability, minimizing the likelihood of costly fines.

You can easily integrate SignDoc into your organization's existing business systems or leverage it as part of Kofax TotalAgility, the unified business platform that helps you digitize your organization's processes from end to end, reducing cost and complexity.



Learn More

To learn more about adding momentum to sales by digitizing consumer loan origination, contact us at info@kofax.com or give us a call at +1 (949) 727-1733.



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