

## Product



### Deposit Line

## Small-Dollar Lending Solution Offers a Safe Liquidity Option for Accountholders



Financial institutions are encouraged by regulators to offer deposit advance solutions to accountholders. Deposit Line from Fiserv lets you quickly deploy a proven small-dollar lending solution that mitigates risk while attracting and retaining customers.

How accountholders elect to spend their time and money is shifting. Earnings may fluctuate and spending often outpaces income. Consumers are demanding solutions for quick cash to fit their lifestyle or to assist with living expenses from paycheck to paycheck.

Couple this with the upcoming generation's focus on work-life balance and experiences – rather than cars and a suburban home – and it is easy to conclude that financial institutions should change to meet the lending needs of all accountholders.

### Market Need Is Growing

At the same time, some things haven't changed. Non-traditional loan providers have been on the fringe of the financial services industry for decades, and still play a predominant role in the small-dollar lending space today. In 2019, the Federal

Reserve found that about 37 percent of adults wouldn't be able to pay an unexpected \$400 expense with cash and would turn to methods such as credit cards, borrowing funds or selling something. ([Report on the Economic Well-Being of U.S. Households in 2019 – May 2020, Federal Reserve System](#)). According to a [2020 Emergency Funds Survey conducted by SmartBrief](#) and sponsored by Fiserv, 70 percent of those who required emergency funds in the past year needed \$1,000 or less. Eighty-six percent of respondents also said their financial institution would be their preferred source for obtaining these funds, and 84 percent said they would either open a new account elsewhere or consider switching banks completely if their financial institution does not offer this service but another local bank does.

With a growing market and positive guidance from regulators, now is the time for financial institutions to offer small-dollar loans using deposit history, rather than traditional credit underwriting, to qualify accountholders.

### Gain Next-Generation Technology

With our deep history and superior technology, Fiserv is ready to help you meet small dollar lending needs. Prior to the restrictive regulatory guidance in 2013, Fiserv led the market with a comprehensive small-dollar lending solution.

Today we are offering an even more robust solution. Relying on our proven account history-driven algorithm, Deposit Line determines accountholder eligibility and suggested available dollar amounts, factoring in your institution's desire for optimal risk mitigation.

### Key Features

**User Interface:** Deposit Line provides easy access for both accountholders and employees. Accountholders can connect directly and seamlessly from the mobile app or online banking to a bank-branded Fiserv site using SSO integration. They can complete tasks such as taking single or multiple advances, making a manual payment and managing their account. It's all done in real-time with immediate results, making every aspect as quick and convenient as an online payment.

Employees can connect to Fiserv through SSO and have access to the Fiserv system to assist accountholders as needed.

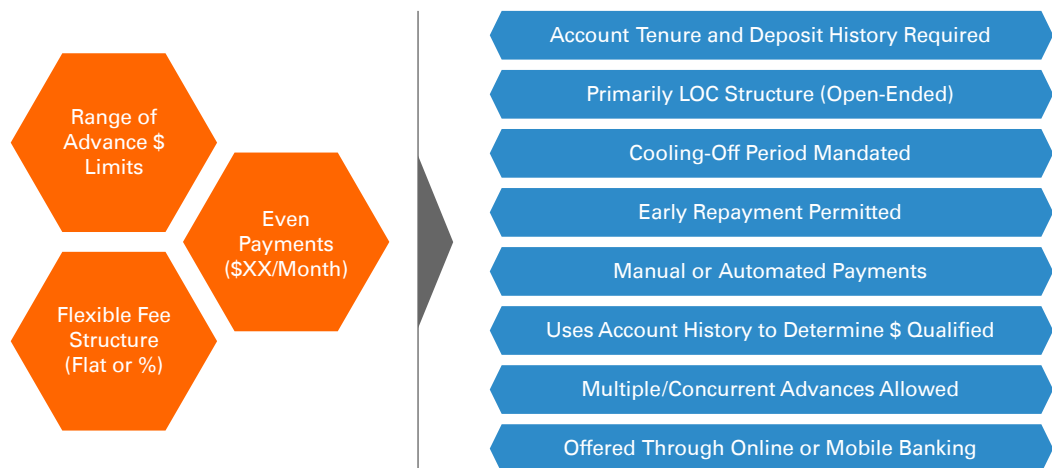
**Analytical Engine:** The Deposit Line engine is built on the SmarterPay™ platform from Fiserv. SmarterPay debuted in 2005 with revolutionary predictive analytics capabilities used to evaluate depositor account history and determine optimal overdraft limits.

This technology continues to benefit depositors and institutions, and remains in place today at large U.S. banks to minimize related charge-offs.

Leveraging the SmarterPay algorithm, Deposit Line automatically determines real-time eligibility and reflects advance funding and repayment activity by integrating directly to your core deposit systems.

**Loan Servicing:** An additional advantage of Deposit Line is comprehensive loan servicing. Fiserv processes and houses each loan and generates regular statements. Should the depositor wish to make manual or accelerated payments, the system manages the request from the user interface without requiring bank intervention.

### Deposit Line Framework





Fiserv is driving innovation in Payments, Processing Services, Risk & Compliance, Customer & Channel Management and Insights & Optimization. Our solutions help clients deliver financial services at the speed of life to enhance the way people live and work today. Visit [fiserv.com](https://www.fiserv.com) to learn more.

**Flexible Design:** Fiserv comes to the table with a recommended framework designed to satisfy regulatory concerns while meeting institution-specific requirements. Nearly every aspect of the Deposit Line framework may be configured to meet your institution's business rules, including an extensive white-label feature to align with specific branding needs.

### **Benefit From Our Proven Solution**

Fiserv combines proven, proprietary technologies in a way that serves you and your accountholders.

**Mitigates Risk:** Controlling risk is your key concern. We put this goal in the forefront by employing our proven behavioral algorithm to predict optimal outcomes for all parties. We constantly monitor the regulatory environment to make adjustments as needed to maintain expected compliance.

**Quick to Market:** In this fast-changing environment, early entrants can drive market differentiation and new account acquisition. The proven technology of Deposit Line, combined with the strength and stability of Fiserv, can help you meet consumer lending needs while generating a new income stream.

### **A Well-Rounded Deposit Strategy**

Deposit Line is one of our Deposit Liquidity Solutions. Whether your accountholders have a check to deposit, an upcoming expense to cover or an overdrawn account, Fiserv has a deposit liquidity solution to help.

### **Key Benefits**

- Serves an unmet accountholder need for those with poor credit/thin file
- Creates a reliable non-interest income revenue stream
- Positions the financial institution as a market leader with next-generation solutions
- Offers proven risk mitigation from road-tested algorithm
- Provides quicker time to market with compliant, comprehensive, integrated solution
- Manages loan servicing on behalf of the financial institution

### **Connect With Us**

For more information about Deposit Line, call us at 800-872-7882, email [getsolutions@fiserv.com](mailto:getsolutions@fiserv.com) or visit [fiserv.com](https://www.fiserv.com).



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