

How Debit Disbursements Simplify Online & Alternative Lending

The Client

Our client is a venture-backed online lender seeking to offer a responsible alternative to payday loans. The loan program is online-only and provides small dollar, short-term unsecured loans for emergency cash flow. Borrowers are able to choose the amount and duration of the loan, typically \$100-\$250 with terms from seven to 30 days. As borrowers prove their ability to repay loans, APR rates can drop over time as they establish a solid repayment history. Additionally once a borrower reaches the top tier rating, the client begins reporting credit history to the credit bureaus, allowing a borrower to begin to establish or re-establish a credit history.



The Challenge

Due to the nature of these loans, receiving funds quickly is of significant importance. Without the traditional retail distribution of payday loans, our client needed a quick and efficient way to get funds to consumers. If consumers were unable to receive funding quickly, they would have to resort to traditional payday loans or other alternatives that come with exorbitant interest rates regardless of repayment history.

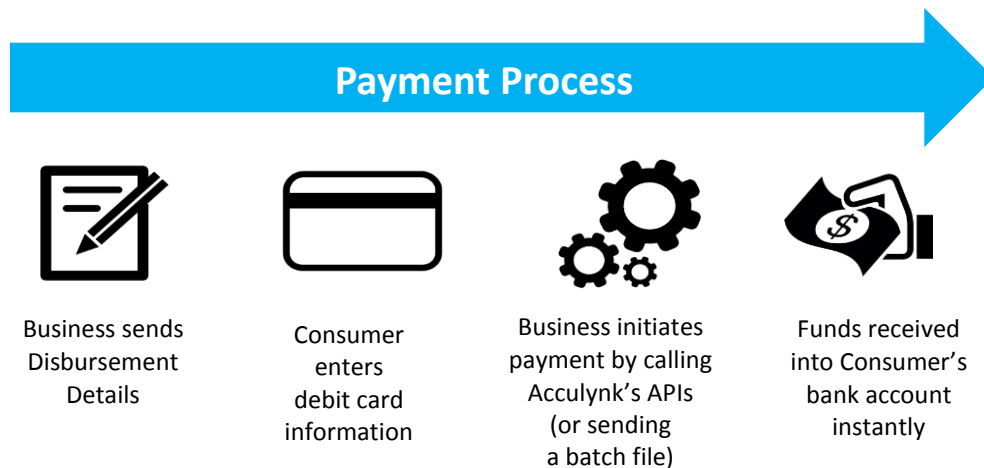
The client sought a method of getting funds to consumers on the same day a loan is approved. Current electronic transfer options like ACH can take several days to clear, which is not fast enough to be competitive in the online lending space.

Reducing barriers to entry for borrowers was also important to this client. They believe that requiring a borrower to enter a bank account number and routing details increases abandonment and lead to lost business opportunities. However, the client understood that a consumer was likely to have ready and immediate access to a debit card number, meaning the loan application, approval and funding process could be significantly streamlined by adding debit disbursements.



The Solution

The client was able to complete integration into Acculynk's debit disbursement solution a few weeks and saw immediate benefits. Borrowers benefited from receiving their loans more quickly and a premium user experience that simply requires a debit card number and expiration date to collect loan funding. Additionally, Acculynk's lending clients benefit from streamlined accounting with same day settlement as well as the ability to pass along a convenience fee to create an incremental revenue opportunity.



In Summary

Acculynk's Direct-to-Debit disbursement solution allows a merchant to push funds directly to a consumer's debit card with real time good funds availability. This disbursement capability has a variety of use cases, but is ideally suited for the lending space. Other uses include Insurance Claims payments, Affiliate Marketing payouts, Corporate Disbursements, Rental Payments to home owners, Online Marketplace seller payouts, Paydays for 1099 employees or employee expense reimbursement or any other Business to Consumer payment traditionally serviced by a check or ACH payment.

Implementing a Direct-to-Debit payout program is the fastest way for businesses to send money to consumers. The simple user experience and the ability for a merchant to own and customize their platform's user experience is why Acculynk is a top choice for an instant funding solution.

A single integration with Acculynk allows our merchants the broadest coverage for loan funding via debit card since Acculynk has connections to all of the major EFT networks in the United States.



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