

# BRD Analysis - 2025-08-13

Okay, let's analyze the SimplyFi BRD based on the provided summary. My assessment focuses on clarity, completeness, and potential areas for improvement.

## Overall Assessment:

The BRD summary provides a solid foundation, particularly given its concise nature. It clearly outlines the core objectives, scope, and key considerations for the SimplyFi loan product. However, it leans heavily on 'high-level' descriptions, which will require substantial fleshing out in the full document.

## Strengths:

- **Clear Objective:** The objective – “to facilitate loan origination against securities...” – is clearly articulated.
- **Comprehensive Scope:** Acknowledging the entire loan lifecycle (eligibility to recovery) demonstrates an understanding of the complexity.
- **Identified Key Stakeholders:** Listing the stakeholders (Borrowers, Lenders, Depositories, Regulators) is crucial for understanding the interdependencies.
- **Functional Requirements – Initial Coverage:** The listed functional requirements (eligibility checks, secure pledge execution, LTV monitoring, alerts) are accurate and relevant.
- **Recognized Risks:** Highlighting dependence on market volatility and regulatory changes is crucial.

## Weaknesses & Areas for Improvement:

1. **Lack of Detail in Functional Requirements:** The functional requirements are currently too high-level. For example:

- “Automated eligibility checks” – *\*Needs elaboration\**. What specific data points are checked beyond age, credit score, and KYC? (e.g., income, asset holdings, employment status). What are the specific KYC verification processes?
- “Secure digital pledge/lien execution” – *\*Needs detailed protocol\**. What technology is being used? What are the security certifications? How is this integrated with NSDL/CDSL?
- “Daily collateral revaluation and LTV monitoring” – *\*How often is the revaluation performed?\** What valuation methodologies are used? What is the frequency of LTV checks?

- “Automated alerts for margin breaches” - \*Define the triggers precisely\*. What constitutes a 'margin breach'? What types of alerts are generated (email, SMS)?
2. **Non-Functional Requirements – Needs Quantification:** “High security” and “real-time data processing” are subjective. These need to be quantified with SLAs (Service Level Agreements). Examples:
- **Security:** What specific security standards must be met (e.g., ISO 27001, PCI DSS)? What are the data encryption methods?
  - **Real-time Data Processing:** What is the acceptable latency for data updates?
3. **Risk Management – Requires Expansion:** While the summary acknowledges risks, a dedicated risk management section is crucial. This should detail:
- **Collateral Valuation Risk:** A detailed explanation of the valuation methodologies and the frequency of re-evaluation.
  - **Market Risk:** The strategy for mitigating volatility in collateral value.
  - **Operational Risk:** Contingency plans for system failures, fraud, and human error.
4. **Decision Points – Needs Clarification:** The "LTV caps" are a critical decision point, but the BRD should specify the \*precise\* LTV limits for different securities. The dynamic LTV adjustment needs further definition – \*what triggers this adjustment?\* (e.g., daily market fluctuations, regulatory changes).
5. **Technology – Needs Specification:** The mention of "OAuth2 authentication" and "UIDAI e-KYC" is a good start, but needs further detail. What version of OAuth2? What specific APIs will be used with UIDAI?
6. **Missing Information:** The BRD \*completely\* lacks information about:
- **Recovery Process:** The phased approach (SMA to NPA) needs far more detail. What are the specific criteria for each stage?
  - **Reporting Requirements:** What reports are required for regulatory compliance?

## Recommendations:

- **Expand on Functional Requirements:** Add detailed specifications for each functional requirement, including data flows, process diagrams, and user interfaces.
- **Define Non-Functional Requirements with SLAs:** Quantify non-functional requirements with measurable SLAs.
- **Create a Dedicated Risk Management Section:** This section should outline all identified risks and mitigation strategies.
- **Add a Detailed Recovery Process:** This is a critical element that is completely missing.
- **Include Use Case Diagrams/Process Flows:** Visual aids will significantly improve understanding.

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Would you like me to focus on elaborating on a specific area – perhaps the recovery process or the potential risk mitigation strategies? Or would you like me to start creating a basic use case diagram based on the information currently available? - Missed payments escalate to collections, with penalties charged over the base interest rate (e.g., 2% over prescribed rate).