Loan Origination Process

Business Requirements Document

Version 0.1

Revision History

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Business Requirements Document

# Introduction

## Purpose

This is a solution design automation of Loan Origination Process for MIT Bank. The key to their requirements is to use online portal for their process in order to avoid a lot of paperwork that is associated with it. The Bank’s website will have a section in which customers can access the portal to start their loan process. This will help the Bank to efficiently process the loan for their customers and provide a decision on their application in a reasonable amount of time.

Development and implementation will be carried out based on the solution stated in the forthcoming sections of the document.

## Business Requirements Index

|  |  |
| --- | --- |
| **ID** | **Short Description** |
| BR001 | As a customer, I want to fill out an application for loan, so that I can get a loan for my personal needs. |
| BR002 | As a Branch officer, I want the customer to fill out an application, so that the I can start processing their information. |
| BR003 | As a Branch manager, I want to perform credit check of the customer, so that I can know their credit history. |
| BR00*4* | As a Credit recommender, I want to see the customer financial details, so that I can see the customer ability to pay loan |
| BR00*5* | As a Credit approver, I want to approve the loan and pricing, so that I can provide the customer with loan, amount and interest. |
| BR00*6* | As a Loan processing officer, I want to provide sanction letter, so that the customer can sign it and deposit remaining documents. |
| BR00*7* | As a Loan processing officer, I want to sanction the loan, so that I can give the customer their loan |
| BR008 | As a Disbursement officer, I want to disburse the loan, so that I can give final loan to the customer |

# 

# Gap Analysis

## As-Is Process

The current process for the loan must go through a lot of employees before it can be approved. There are no checkpoints in between. Therefore, it can take a lot of time for the customer to get a decision on his loan and to get his loan from the bank. This can make the customer’s choice to go with another bank where the process is efficient, and they will be able to get their loan in a timely manner.

The UML diagram shows how the current process looks like:

A screenshot of a cell phone

Description automatically generated

## 

## 2.2 To-Be Process

The new process will add more checkpoints in the loan process. The checkpoints will make sure the online application will check customer information after a step before they are passed to another stakeholder in the loan process. The online application will verify information such as if the SSN has nine numbers, etc. After that there will be checkpoints to see if the customer qualifies for the loan based on the loan amount and their financial background. This will help the bank’s stakeholder efficiently process the loan as the online portal will check some of the customer information to make sure that he is qualified to get a loan. When the amount is ready to disburse to the customer, the customer can choose different ways to receive their loan such as Check, Direct deposit, PayPal, etc. This will help the bank process more loan applications in short period of time.

The updated UML diagram shows the to-be process:

A screenshot of a cell phone

Description automatically generated

## Strategy or project approach to be followed

………………………………………..

# Product Overview

## Solution Scope

**Solution scope - Process**

|  |  |  |
| --- | --- | --- |
| Scope | Description | Priority |
| Loan origination process | The current process has involved all stakeholders and takes a lot of time to process a loan. The goal is to design a system which will process applications efficiently. | High |
| Receiving process | We currently use manual procedures to check the information on the application. The goal is to have the system check for the required fields in the application | High |

**Solution scope - People**

|  |  |  |
| --- | --- | --- |
| Scope | Description | Priority |
| Customer | The Branch officer will have to show the customer on where to apply for the loan on the website | High |
| Bank | All the stakeholders in the bank will have to be trained on how to use the online portal for the loan process | High |

**Solution scope - Technology**

|  |  |  |
| --- | --- | --- |
| Scope | Description | Priority |
| Loan process | The bank website will have to add a new section from which the customer can apply for the loan. This will save customer time to come to a bank. | High |
| Receiving | The background check will receive the customer information, so that the bank will know if the customer has the financial background to repay the loan. | High |
| Process Maintenance | The process maintenance permits to undergo maintenance during low peak times of website use to add new features and fix bugs. | Medium |

## Assumptions, Dependencies and Constraints

|  |  |
| --- | --- |
|  |  |
|  | The ‘To Be’ process mentioned in the document is completely understood by the business users with whom it has been discussed and explained. |
|  | All field required in the forms are added by the business users |
|  | The online portal will add layers to verify the information on the application to make sure the customer is qualified to get a loan |
|  | The online portal for loan process will work efficiently if the stakeholders verify the information in the application and do their part in the process |
|  | The online application process can be prone to hackers as there have been an increase in hacking on several platforms |

# Requirements

## User Story 1 - As a customer, I want to fill out an application for loan, so that I can get a loan for my personal needs

### Prerequisites

* Bank can provide loan to the customer

### Acceptance Criteria

I’ll accept the user story as done when I see the following

#### Verify: Customer can get to the bank

#### Verify: Bank can provide different types of loans based on customer needs

#### Verify: Branch officer is available to see the customer

## User Story 2 – As a Branch officer, I want the customer to fill out an application, so that the I can start processing their information.

### Prerequisites

* Branch officer is available to see the customer
* Bank can provide the type of loan based on customer needs

*4.2.1 Acceptance Criteria*

I’ll accept the user story as done when I see the following

#### Verify: Customer fills out loan application for required amount, product.

##### Validate: Branch officer validates the information on the application before it can be entered on their online portal

4.2.2.2 Verify: Online portal will check for the required fields in the application

4.2.2.2.1 Validate: SSN has nine numbers

4.2.2.2.2 Validate: Mobile number has ten numbers

4.2.2.2.3 Validate: Address zip code has five numbers

4.2.2.2.4 Validate: First name and last name cannot be empty

4.2.2.2.5 Validate: The required product is entered

4.2.2.2.6 Validate: The amount is not blank and valid

## User story 3 - *As a Branch manager, I want to perform credit check of the customer, so that I can know their credit history.*

### Prerequisites

* Application does not have any invalid information
* Branch Manager will be able to see customer information on the online portal

### Acceptance criteria

I’ll accept the user story as done when I see the following

#### Verify: Branch manager will start the process of credit check and background check

#### Verify: Background check will check on the customer criminal history

##### Validate: If the customer has a criminal history, customer will not be qualified for a loan

#### Verify: Credit check will check the customer credit history

##### Validate: Credit check will show the ability of a customer to pay the loan

## *User story 4 - As a Credit recommender, I want to see the customer financial details, so that I can see the customer ability to pay loan*

### Prerequisites

* Credit recommender can see the financial details from the credit check

### Acceptance criteria

I’ll accept the user story as done when I see the following

### Verify: Credit recommender can see financial details of the customer

4.4.3.1 Validate: Credit recommender will deny the loan approval if he determines customer inability to pay loan

4.4.4 Verify: Credit recommender will approve the application to the next phase of the loan process

4.4.3.2 Validate: If the financial details show the that customer can repay the loan

## User story 5 - As a Credit approver, I want to approve the loan and pricing, so that I can provide the customer with loan, amount and interest

### Prerequisites

* Credit recommender approves the customer can repay the loan
* Credit approver can see the application once it has been approved by the credit recommender

### Acceptance criteria

I’ll accept the user story as done when I see the following

#### Verify: Credit approver can see the application on the online portal

#### Verify: Credit approver can provide the customer with loan, amount and interest

#### Verify: Credit approver will process the application further with necessary information to the loan processing officer

## User story 6 - As a Loan processing officer, I want to provide sanction letter, so that the customer can sign it and deposit remaining documents

### Prerequisites

* Loan processing officer should receive the form with the details of the loan
* Loan processing officer should know the amount and interest of the loan

### Acceptance criteria

I’ll accept the user story as done when I see the following

#### Verify: Loan processing officer can see application on the online portal

#### Verify: Loan processing officer will provide the sanction letter to the customer

#### Verify: Loan processing officer will ask the customer to sign the sanction letter and deposit remaining documents

## User story 7 - As a Loan processing officer, I want to sanction the loan, so that I can give the customer their loan

### Prerequisites

* Loan processing officer will receive the signature from the customer on the sanction letter
* Loan processing officer will receive the remaining documents from the customer

### Acceptance criteria

I’ll accept the user story as done when I see the following

#### Verify: Loan processing officer can ask the customer on the preference on mode of payment for the loan

##### Validate: If the customer wants to receive the loan in the bank, customer has the provide his bank information

4.7.2.2.2 Validate: If the customer wants to receive the loan in the form of check

4.7.2.2.3 Validate: If the customer wants to receive the loan in his Paypal account, customer must provide his Paypal account information

#### Verify: Loan processing officer can verify the information based on the customer preference on how to receive the loan amount

#### Verify: Loan processing officer can forward the customer information to the Disbursement officer to give the loan to the customer

## User Story - As a Disbursement officer, I want to disburse the loan, so that I can give final loan to the customer

### Prerequisites

* Disbursement officer will receive information on how to disburse the loan

### Acceptance criteria

I’ll accept the user story as done when I see the following

#### Verify: Disbursement officer can provide the customer with the final loan amount

# Non-Functional Requirements

* When the branch officer enters customer information in the application, the online portal will check for valid information in the required fields
* Once the online portal validates the required fields in the application, Branch manager will receive a notification via Email
* The credit check will reveal financial details and if the customer income is not enough to repay the loan, the system will show that the customer is not qualified to get a loan
* The system will determine the interest of the loan based on the financial details of the customer
* The stakeholders will receive a notification via Email whenever their action is needed in the loan process
* Loan processing officer will send an Email to the customer to sign the sanction letter and deposit remaining documents
* Once the documents are received from the customer, Loan processing officer will send the application to the Disbursement officer to disburse the loan to the customer
* The system will send the loan to the customer based on the customer’s preference mode of payment