Business Requirement Document

Domain: Banking & Financial Services – Retail Lending

Project Name:

Loan Origination System (LOS)

Author ,change Control:-

Date	Author	Version	Description

Approvers:-

Approvers	Department	Signature & Date

Contents

Executive Summary

The Loan Origination System (LOS) project aims to digitize and streamline the end-to-end retail loan processing workflow. The current process is semi-manual, involving multiple handoffs between Sales, Operations, and Credit teams, resulting in delays, data inconsistencies, and limited visibility into application status.

The proposed LOS will provide a centralized platform to capture loan applications, manage document verification, integrate credit bureau checks (CIBIL), calculate customer eligibility, and enable a structured approval workflow. This system will improve operational efficiency, reduce turnaround time (TAT), minimize manual errors, and enhance customer experience through real-time status tracking.

Purpose

This Business Requirement Document (BRD) captures the high-level business needs and requirements for the Loan Origination System. It serves as a reference for stakeholders including Business, IT, Operations, and Credit teams to ensure a shared understanding of the system objectives, scope, and expected outcomes.

The document defines business processes, stakeholder roles, functional expectations, and success metrics to guide the design and implementation of the LOS.

Project Overview

The Loan Origination System will support retail loan products including:

- Home Loans

- Business Loans

- Loan Against Property (LAP)

The system will enable digital loan application capture, document management, credit evaluation, and approval workflow. It will provide role-based access for internal users and status visibility for customers.

The LOS will replace fragmented manual processes with a unified workflow-driven platform.

- **Project Name**: Loan Origination System (LOS)
- **Project Type**: Process Upgrade/Digital Transformation
- **Start Date**: November 2025
- **End Date**: January 2026 (Expected)

- **Project Manager**:
- **Business Analyst**:

Scope of Project

In- Scope:

The following functionalities are included within the scope of the LOS:

Loan Application Capture

- Create and manage new loan applications
- Capture customer personal, employment, and financial details
- Capture property details for secured loans

Document Management

- Upload and store customer documents
- Validate mandatory document checklist
- Provide document status (pending/verified/rejected)

Credit Bureau Integration

- Fetch CIBIL score through external API
- Display credit score and report summary
- Flag low CIBIL cases for review

Eligibility Calculation

- Calculate loan eligibility based on income, obligations, and FOIR
- Provide indicative loan amount and tenure options

Workflow Management

The system will route applications through defined stages:

1. Sales – Application creation
2. Operations – Document verification
3. Credit – Risk assessment
4. Approval/Rejection

Status Tracking

- Internal users can track application stage

- Customers can view application status updates

User Role Management

Role-based access for:

- Sales

- Operations

- Credit

- Risk

- Admin

Out Of Scope

The following items are excluded from this phase:

- Loan disbursement accounting

- EMI collection and repayment tracking

- Legal recovery and collections

- Core banking system integration

These may be considered in future phases.

Business Objective

The primary objectives of implementing the LOS are:

- Reduce loan processing turnaround time by at least 30%

- Improve data accuracy and reduce manual errors

- Provide real-time visibility into application status

- Standardize credit evaluation workflow

- Enhance customer experience through faster processing

Assumptions

- Users will be trained on the LOS before go-live
- CIBIL API integration will be available

- All required loan products follow standard eligibility rules
- Customers will provide complete documentation at the application stage

Constraints

- Dependency on external CIBIL API availability
- Limited integration with legacy systems in phase 1
- Data migration from manual records may not be included
- System access restricted to internal network for security

Stakeholders

Stakeholder	Responsibility
Sales Team	Capture and submit loan applications
Operations Team	Verify documents and application data
Credit Team	Perform credit assessment and decisioning
Risk Team	Define policy rules and exception handling
Customers	Apply for loans and track application status
IT Team	Develop and maintain LOS platform

Business Requirements

Loan Application Module

The system shall allow users to create, edit, and submit loan applications with mandatory fields including:

- Customer personal details

- Employment and income details

- Existing loan obligations

- Property details (for secured loans)

Document Verification Module

The system shall:

- Allow upload of required documents

- Provide a checklist based on loan type

- Mark documents as verified or rejected

Credit Evaluation Module

The system shall:

- Fetch and display CIBIL score

- Calculate FOIR and eligibility

- Flag high-risk applications

Approval Workflow

The system shall:

- Route applications to appropriate user roles

- Allow approval, rejection, or send-back for correction

- Maintain audit trail of actions

Status Tracking

The system shall provide:

- Application stage visibility

- Pending action alerts

- Decision outcome (approved/rejected)

Success Metrics

The success of the LOS implementation will be measured using:

- Reduction in average loan processing TAT

- Increase in application processing efficiency

- Reduction in document-related rework

- Improved approval decision time

- Enhanced customer satisfaction score

Approval and Sign Off

The following stakeholders will review and approve this BRD:

Name	Role	Sign-Off
Business Head	Project Sponsor	Pending
Credit Head	Credit Stakeholder	Pending
Operations Head	Operations Stakeholder	Pending
IT Manager	Technology Stakeholder	Pending