HOW ML ADOPTION BENEFITS YOU

Machine learning can help any lender increase revenue and reduce risk through better underwriting, but it does present new concerns for the business team. ZestFinance Automated Machine Learning (ZAML) software was built to solve these concerns.

Significantly reduce losses, increase approvals, and boost yield. Our tools typically help lenders reduce loan losses by 30% and increase loan approvals by 15% or more by swapping out riskier borrowers and replacing them with more creditworthy ones.

Grow market share by reaching new borrowers. Our tools typically help lenders approve more good borrowers (and avoid the most toxic ones) no matter where they fall on the credit spectrum. They also enable you to assign customers to pricing tiers more accurately, allowing you to beat the competition by providing the most competitive offer to the best borrowers.

Build the ML model that is right for your organization. Our tools and team of machine learning underwriting experts will help you to build the model that you want -- not just deliver an off-the-shelf solution -- and help support your IT, modeling, and risk teams at every step along the way.

Make implementing powerful machine learning models easy. Our software tools are built with optionality, flexibility and a minimal footprint. Adoption of machine learning underwriting can fit within and even accelerate your technology roadmap. In fact, our clients typically start using their models three months after the start of the first engagement.

Safely develop and deploy your model. Our tools ensure that your ML underwriting model is always sound and complaint. Because you can fully explain, document, and validate the way your model arrived at every lending decision, you'll be able to satisfy all internal risk reviews as well as regulatory compliance requirements.

Recognition as a business leader. Most AI models gets stuck in the lab because risk and regulatory explainability requirements can be exceedingly difficult to satisfy. With ZestFinance, join a select group of global lenders successfully using AI. Raise your public profile and be recognized within your organization and industry as a leader for the responsible adoption of emerging innovative technologies like machine learning.

WHAT YOU SHOULD KNOW

Among the most frequent questions we get from the business leaders we work with:

How is my job going to change?

Don't worry: we won't expect you to code. But we will need your leadership! In our experience, successful deployment of ML-based underwriting requires an internal champion at the top to align key internal stakeholders -- such as your model risk management, modeling, IT, and compliance teams -- and drive transformational change. There undoubtedly will be skeptics. So we'll be at your side as trusted advisors who can help educate your organization on why moving to ML underwriting is critical and we will work collaboratively with your executive and IT team to drive significant results.

How does machine learning more effectively price risk?

Our ZAML tools enable you to take advantage of more of the data that you already have on hand. Indeed, we primarily apply better math to existing applicant credit scoring data so that we can explore all of the variables that go into generating a credit score, as well as the complex interactions between those variables. By analyzing up to thousands of variables, ZAML-enabled models provide a more granular segmentation than traditional logistic regression models (which rely on only about 30 or so variables). That allows you to make a better decision on who to approve and how to price risk.

Will this pass muster with our regulators?

Yes. Our tools enable you to build and deploy a ML underwriting model safely in a way that can fully satisfy all regulatory compliance requirements. Here are a few ways that you can be confident in our technology:

- **Model Development:** We use advanced math that allows you to analyze the impact of every variable, and every interaction between those variables, has on your model. As a result, you will be able to explain accurately, consistently, and quickly how your model arrived at any underwriting decision.
- **Model Validation:** By using fully explainable math, our models make it easy to validate their results and give you the confidence that they can be safely put into production using your existing model validation process.
- **Model Documentation:** Our tools auto-document and capture all details and decisions from model development so you can more easily understand the inner workings of your model and comply with the model risk management guidance.
- **Model Monitoring:** Our tools automatically detect subtle changes in model operating conditions (such as changes in the applicant pool or economy) in real-time so that you can decide whether you need to tweak or rebuild the existing model.

Visit our website at **www.zestfinance.com** or contact us at **partner@zestfinance.com** to learn more.