(11) Application No. AU 2010100609 A4

(19) AUSTRALIAN PATENT OFFICE

(54) Title

A system and method of facilitating competitive finance to a credit seeker, by providing due diligence services to a plurality of lenders and loan brokers over a computer network

(51)[6] International Patent Classification(s)

G06Q 40/00 (2006.01) 20060101AFI2010062 2BHAU G06F 17/30 (2006.01) 17/30

G06Q 40/00 20060101ALI2010062 2BHAU

(21) Application No: 2010100609

(22) Application Date: 2010.06.15

(43) Publication Date : 2010.08.19

(43) Publication Journal Date : 2010.08.19

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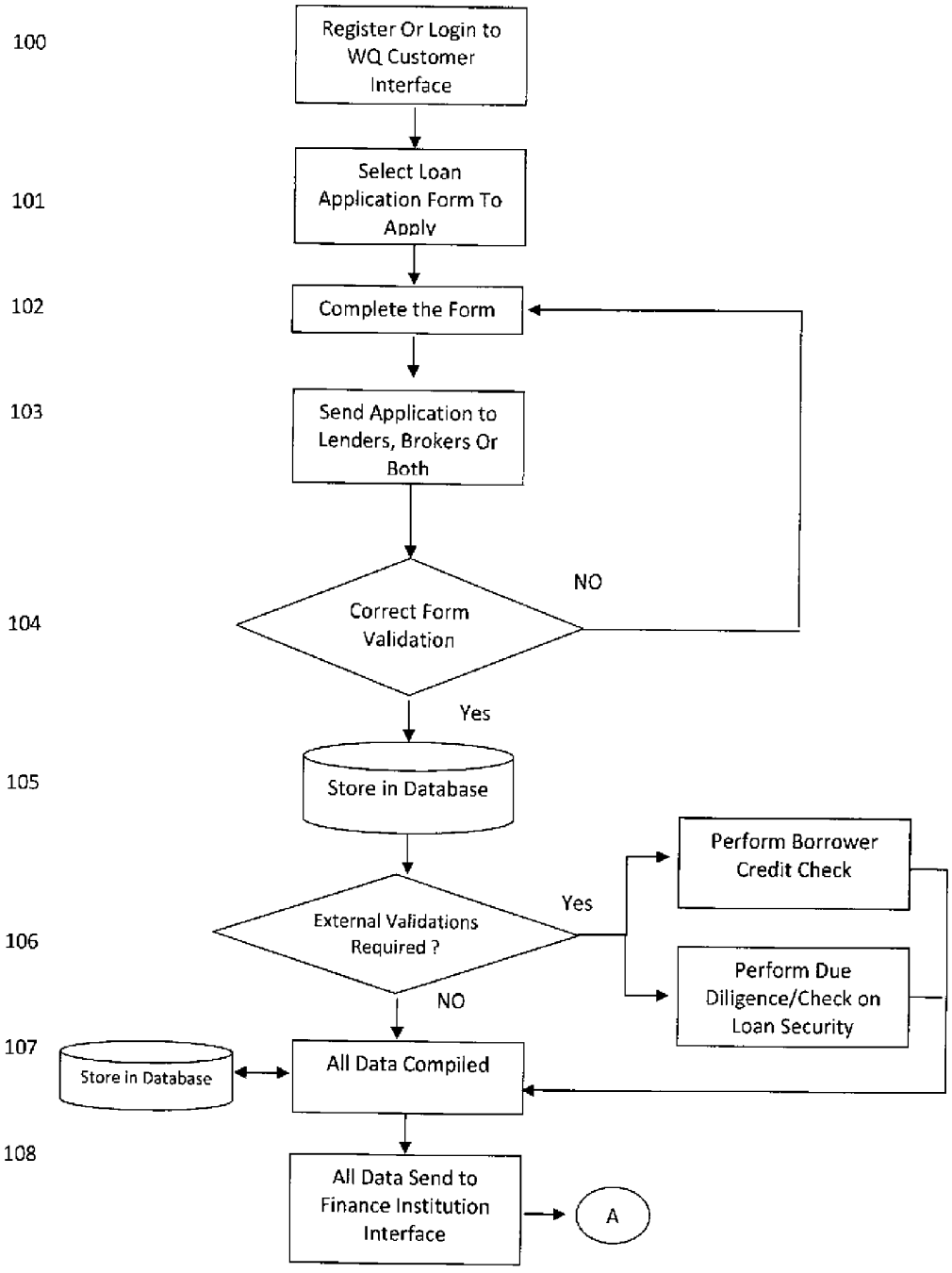
ABSTRACT

A system and method of matching credit seekers/borrowers with appropriate lenders and loan brokers over a computer network. Method includes submitting borrower information, processing of the borrower information using available lender and loan broker data as well as data submitted by relevant third parties such as credit bureau references and loan security valuation service providers. The output is then transmitted to a plurality of lenders and/or brokers through a computer network, who may then make a plurality of offers to the borrower through the computer network. Afterwards, the borrower through the computer network would choose an offer from the plurality of offers. Finally, the computer and the method then controls and co-ordinates exchange of information between the borrower and the lender or broker with the objective of letting the two parties reach a definitive agreement on the terms of the loans.

FIG. 1


100
Register Or Login to WQ Customer Interface
101
Select Loan Application Form To Apply
102
Complete the Form
103
Send Application to Lenders, Brokers Or Both
104
Correct Form Validation
NO
Yes
105
Store in Database
106
External Validations Required ?
Yes
NO
Perform Borrower Credit Check
Perform Due Diligence/Check on Loan Security
107
Store in Database
All Data Compiled
108
All Data Send to Finance Institution Interface
A

15

BACKGROUND OF THE INVENTION

Field of the invention

The present invention relates generally to methods and systems of online banking. More specifically, the invention relates to systems and methods for matching credit seekers/ borrowers with favourable lenders or brokers based on information about the applicant obtained from the applicant himself/herself as well as from one or more credit reports and loan security valuations obtained from licensed third parties and finally based on information from a cross-section of lenders. The invention enables lenders and loan brokers manage risks of lending their financial products by obtaining credit checks as well as loan security valuations with every lead.

Relationship to the Art

The internet has spawned numerous opportunities for smart entrepreneurs. Among many things, electronic commerce has made it possible to speedily complete transactions that would otherwise take some considerable time, effort and resources. Nowadays it's possible to conduct numerous transactions on a networked computer that were only unimaginable a few decades ago, such as booking an air ticket or buying consumer goods from popular ecommerce sites. The field of banking has also seen innovative products hit the market, most of them designed to make banking more efficient for both the lender and borrower. The global financial crisis of 2007-2009 was in part caused by lenders giving credit facilities to unqualified borrowers and loan brokers not being due-diligent in assisting borrowers, and part of the problem was the lack of reliable infrastructure to pre-qualify borrowers. This created an incentive to organizations to search for better ways of avoiding unqualified buyers access credit. Indeed, in other markets outside Australia, websites such as www.lendingtree.com, www.eloan.com and www.priceline.com have implemented online platforms that enable borrowers shop for and access credit facilities online through a third party. In most of these systems the common imperfection remains in performing adequate due diligence on borrowers and real time loan serviceability calculations to help lenders make informed quotes that they can honor.

The traditional approach of procuring any type of a loan is for borrowers to make direct contact with the lenders or use the broker channels who are authorised by lenders to be an intermediary between borrowers and lenders. This traditional approach has been widely accepted and matured over time. However with the advancement of technology and ability to design and build business to business technology systems enables the borrowing and lending processes simple, secure and cost efficient.

We will now analyse in more detail the key challenges and the processes where WinningQuote invention will significantly improve the

- Borrowing Process and
- Lending Process

Borrowing Process:

Borrowers need to contact a plurality of lenders either in person, on phone or visiting plurality of websites to understand the products that lenders offer. In order to seek approval/pre-approval, individual borrowers have to fill loan application forms providing his/her personal details including but not limited to contact information, net worth position and personal details. The borrower has to repeat the process with a plurality of lenders. This process itself is difficult, time consuming and limits the borrower's choice to only few lenders, predominantly larger lenders that have multiple geographical presence. The borrowers can therefore miss-out on potentially better products that fit their needs.

An alternative option for borrowers is to procure the services of brokers who have industry knowledge and intelligence to guide the borrower on the most suitable loan offered by various lenders. Brokers act as an intermediary or agents for lenders for compensations in the form of initial and trail commissions. However, there are two potentially fundamental negative effects using this channel:

1. Many brokers cannot afford or have access to tools and services to perform due-diligence on borrower's ability to service the loan leading to potential defaults from borrowers.
2. Brokers are often biased towards lenders offering higher commissions and incentives. Also not all brokers are agents for all lenders.
3. The broker increases the costs associated with borrowing and these are often passed on to the borrower making the process less efficient.

In case of home or property finance, the final step in procuring the loan and finalising the sale is working with solicitors or conveyancing companies to facilitate exchange of contract. This is one of the most critical aspects where all the details are verified before exchange of contracts between buyer and seller of property. This process is mutually exclusive from the lending process.

Lending Process:

When a loan application is submitted by the borrower, multiple factors are considered before lender makes a decision. Key criteria include the lender's corporate credit guidelines for issuing credit, borrower's credit history and the security for the loan. After all the conditions are met, a formal offer is made by the lender. In this situation, the multiplicity of applications mayneed to be individually verified and this might take some considerable time during which the borrower might have accepted a different offer.

Lenders often appoint brokers as the channel to spread their presence in the market. The broker channel is advantages to lenders with minimal or no fixed cost associated with employing and managing staff. Commissions are paid only when the sale is made.

When leads are offered to lenders or brokers, information asymmetry between the lender and the borrower may hinder a quick decision making process by the lender. In situations like that lenders are forced to quote customers with several pre-conditions attached and brokers on the other hand rely on lenders to confirm on borrower's ability to service the loan. This undoubtedly leaves the customer in a

disadvantaged position since the lenders may not be ready to provide credit facilities to a borrower if any credit check or security valuation fails. This aspect of the method and system hastens the loan application process which would otherwise take some considerable amount of time to process. Virtually all present systems that allow credit application online have the problem interfacing with crucial partners such as credit bureau references and loan security valuators. Personal information contained in the credit report may only be accessed by authorized person. It takes time to cross reference loan security, its actual value against the loan amount and especially when the credit report is requested manually in order to make a decision on a loan application.

OBJECT OF THE INVENTION:

What is needed is a system and method that is capable of pre-qualifying prospective borrowers using developed criteria that is based on variables such as credit report, loan security valuation, loan affordability metrics and lender's individual credit guidelines. The unique aspect of the invention is being able to perform all of these tasks on a particular lead in real time before sharing the results with the lender. Present systems are not designed to get real time credit decisions and security valuations online. Such a system would be useful for conveniently obtaining any type of loan and credit online. Automation of a process for obtaining a credit report, real time calculation of loan affordability matrix and making an underwriting decision without human intervention would be beneficial because credit approval decisions could be made faster, cheaper and error free. The true power of such a system would be realized when the system is accessed in the midst of a transaction to obtain credit specifically for the purpose of that transaction.

The ability to present multiple offers to applicants based on information provided only once and the ability to set out a pre-determined criteria for desirable borrower would result in greater efficiency for both the borrower and lender or broker.

Other benefits for lenders and brokers of such a system include:

- Access to a large number of genuine leads that has passed credit checks and security valuations
- An efficient and effective way to "Reduce Cost of Sale".
- For lenders: reducing the 'middleman' bringing the institution a step closer to the customer.
- For brokers: access to leads that undergoes due-diligence services helps to be compliant with industry standards and lender credit guidelines
- Sophisticated quoting tools that require limited human intervention.

Other benefits for borrowers include:

- A competitive market to service their loan with access to a large spectrum of lenders and brokers.
- Convenience of using internet to connect and request quotes from multiple lenders and brokers
- Transparent and simple processes with powerful online tool to make comparative decisions on the right loans.
- Access to conveyancing services.

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SUMMARY OF THE INVENTION

The present invention provides a method and system of seeking multiple offers for a credit seeker. Offers are made based on the information submitted by the credit seeker as well as information obtained from relevant third parties such as the credit bureaus, loan security valuators and finally, information supplied by participating lenders. Once the borrower selects an offer, the system then enables communication either between borrower and lender directly or through a loan broker for the purpose of reaching an agreement on the definitive terms of the loan.

It should be noted that the present invention can be implemented in numerous ways, including as a process, an apparatus, a system, a device, a method, or a computer readable medium. The relevant embodiments of the present invention are more accurately described below.

In one embodiment, a method of submitting loan application or credit enquiry in order to receive multiple custom quotes to an applicant for credit over a computer network is disclosed. The method includes obtaining a credit report containing applicant data, loan security valuation, receiving lender's criteria as well as computation of loan serviceability. Pluralities of offers are presented to the applicant. The pluralities of offers are derived from the borrower, credit bureau, loan security valuators, if available and lender's credit criteria. These and other features and advantages of the present invention will be presented in more detail in the following specification of the invention and the accompanying figures which shall describe by way of example the main tenets of the invention.

BRIEF DESCRIPTION OF THE DRAWINGS

The present invention can be understood by the following detailed description together with the accompanying drawings.

In the drawings,

FIG. 1 is a functional flow block diagram depicting the customer interface of the system according to a preferred embodiment of the present invention.

FIG. 2 is a functional flow block diagram depicting the financial institution interface of the system according to a preferred embodiment of the present invention.

FIG. 3 is a functional flow block diagram depicting how the system presents customer enquiries to finance institutions which in turn may make offers to the borrower.

FIG. 4 is a functional flow block diagram depicting the final outcomes of the system according to a preferred embodiment of the present invention.

FIG. 5 is a block diagram illustrating a computer network scheme that may be used to implement the system described herein.

DETAILED DESCRIPTION OF PREFERRED EMBODIMENTS

The present invention is a method and system for presenting loan leads to a multiple lenders directly or through loan brokers with a view of receiving offers on behalf of the borrower. The system then becomes a mediatory between the two parties, though none of them has direct control over the system. While the invention will be described together with that preferred embodiment, that shouldn't limit the invention to one preferred embodiment. On the contrary, it is intended to cover alternatives, modifications, and variants as may be included within the spirit and scope of the invention as defined by the appended claims.

FIG. 1 illustrates the first stage necessary to initiate the system of matching loan leads between a prospective borrower and a plurality of lenders and/or brokers. Step 100 represents the customer interface where a potential borrower logs into the system. The borrower therefore needs to be a registered member to access the customer interface. The computer must be connected to the Internet and the network and will communicate to the system by way of the World Wide Web (WWW), E-mail, File Transfer Protocol (FTP), or by other means of secure electronic communication over the Internet using conventional internet communication software. Step 101 depicts the stage where the borrower selects a loan application form to use from several options that maybe provided. Step 102 depicts the completion of the application form online, till within the customer interface. Step 103 depicts the stage where the borrowers selects to get connected with lenders or brokers. Data collected from individual customers then undergo through a validation process to ensure the application forms are in a correct format in step 104. The next step marked 105 involves storing the credit application in a database. In 106, some external validations is completed and this involves obtaining a credit report, valuation reports obtained from external loan security valuators as well as various relevant variables including but not limited to net disposable income ratios, loan value ratios and affordability calculations. Next, in step 107, the application data is compiled and stored in the database. All application stored are sent to the financial institution interface in step 108. For purposes of continuity, the end product of fig 1 is marked "A" and shall be used in the description of the system in Fig 3.

Fig 2 depicts the financial institution interface for the embodiment. Participating lenders and/or brokers will log into the system at **109** and they shall have access to a personalized account dashboard at **110**. It is here, at the personalized account dashboard that each lender or broker shall set its criteria for the kind of loan leads it can entertain at **111**. The lender or broker may set a criteria requiring loan leads to be accompanied by a credit check at 111a, or have the lead accompanied by a credit check as well as loan security valuations, at 111b. On the lender or broker's personalized account dashboard, the lender or broker can opt to have an automated lead selection process or perform this function manually at **112**. If the automated option is chosen at **114**, the lender or broker can set the rules to apply for the quotes for the desired leads at **114a**, and also activate the automatic purchase process for such leads at **114b**. If the manual purchase and quote process is preferred, it is then activated at **113**. Once either of those is done, the lender or broker profile rules are then compiled at **115** and then sent to the computer database at **116**. At **117**, the lender or broker is now ready to receive loan enquiries/leads, and is also ready to submit quotes on such leads. The outcome at this stage is represented by a figure "B" and further explanation will be offered in Fig 3.

Fig 3 depicts a point where the borrower has submitted a loan enquiry, and the lender or broker is at that point ready to receive and quote on that enquiry. At **118**, a lender or broker receives a loan enquiry/lead. The next step will depend on the process set up by the lender or broker, as demonstrated in Fig 2. If automatic rules are set at **119**, the lead will be automatically purchased and a quote generated for the borrower at **121**. If the manual option is preferred by the lender, then the purchasing of the lead and quoting on the same will be performed manually at **120**. At 122, the borrower will receive a quote for his enquiry; the borrower can receive quotes from other lenders and/or brokers for a period between 3 to 7 days, after which the bidding period for the lead shall expire. At this point the system shall allow communication between the lender or broker and the borrower to enable the two parties conduct negotiations on the loans.

At **124**, the borrower may accept a quote, or time allowed for accepting quotes expires (whichever comes earlier shall be deemed effective). The bidding process comes to its conclusion at 125. The outcome of the process at this stage is represented by "C".

At Fig 4, C, represents the outcome in Fig 3, and the possible outcomes are, the borrower rejects all quotes or accepts a quote. If the time expires before the borrower can have the opportunity to choose a quote from any of the lenders or brokers, then the process shall come to an end. If however, the borrower accepts a quote, the system sends borrower's contact details to the lender or broker and lender or broker's contact details to the borrower. If the loan is an unsecured one, then the process will end at **127a.** If the loan is to be secured by a property at **128**, the system shall send a conveyance request form to the borrower at **129.** There afterwards the borrower's details will be sent to partner conveyance firms for the purposes of preparing the security. The process will then come to an end. At **130**, the system sends feedback requests to borrower and lender or broker. The process comes to an end at step **131**.

Fig 5 represents a computer network scheme that may be used to implement the system described herein. Borrowers log into the borrower's interface at **1** which is made using various multi-paradigm web application languages including and not limited to Java, FTL, Beanshell Scripting, Groovy Scripting, JavaScript, JQuery, Adobe Flash, PDF, CSS, PHP, HTML and XML. Information from the borrower is carried on a secure TCP/IP connection at **5** through HTTPS onto the systems servers at **2.** The information from the credit bureau as well as any relevant third party is also transmitted through a secure TCP/IP connection using HTTPS onto the systems server. The communication between the system and credit referencing bureau agencies are performed using specific application programming interface (APIs) based on and not limited to XML, JavaScript and Java at **3**. No special software is required for all client computers as the system is web-based. The financial institution's interface as shown in **4**, like the borrower interface is also made using various multi-paradigm web application languages including and not limited to Java, FTL, Beanshell Scripting, Groovy Scripting, JavaScript, JQuery, Adobe Flash, MySQL, PDF, CSS, PHP, HTML and XML and any information from that interface is transmitted to and from the system's server through a secure TCP/IP connection using HTTPS. The application is primarily built on Java using the Offbiz (Off the shelf business) frame work. All the data submitted to the system is securely stored in MySQL database.

All requests and data communication between various stake holders are transmitted securely using HTTPS at **5**. The term HTTPS is the combination of the Hypertext Transfer Protocol with the SSL/TLS protocol to provide encryption and secure identification of the server. When all users connect to the system via HTTPS, the website encrypts the session with a digital certificate and all communication to and from the website is securely transmitted.

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CLAIMS

What is claimed is

1. A computerized method for selling a loan lead system between a plurality of network members, said method that consist the following steps.

   i) A loan participation database containing member data pertaining to each of said plurality of network members and loan criteria data specified by each of said plurality of lenders and brokers.

   ii) Receiving a loan enquiry from a participating member, said loan enquiry includes offering the participating member/borrower data and loan participation data pertaining to a loan opportunity.

   iii) Providing a loan offer to each said selected matching network member in response to said selection of each said selected matching network member.

   iv) Receiving a response from at least one interested selected matching member,

   v) Providing interested network member data with respect to each said interested pre-qualified matching member to said offering network member in response to said response from each said interested selected matching member.

2. A system and method performed by a computing device, the method consisting of;

   i) Submission of information by a borrower (first information).

   ii) to a plurality of lenders and brokers, outputting second information from credit bureau, valuation agencies and various affordability calculations enabling the plurality of loan sources determine whether to offer a loan to a borrower.

   iii) from the plurality of lenders, receiving submissions of pre-determined criteria that will be required to provide the loan to the customer, and such loan offers submitted by the plurality of loan sources in response to the second information from a credit bureau and in a manner that commits to provide the loan if the offer is accepted by the customer.

   iv) identifying which offers from a plurality of offers as being most favorable;

   v) to the customer, outputting third information about the selected offer, including an identity of at least one of the lenders or participating broker that submitted the identified offer.

vi) Outputting communication between a preferred/selected lender or broker with the borrower

vii) Submission of borrowers contact details to the lender or broker.

viii) Submission of user feedback

3. The method of claim 2 wherein receiving first information comprises receiving the first information including information loan securing item, and wherein outputting second information comprises outputting the second information including the information about the item.

4. The method of claim 2 wherein receiving first information shall involve receiving the first information which includes the borrower's identity, and wherein outputting second information comprises outputting the second information yet withholding the borrower's identity.

5. The method of claim 4 and comprising outputting the borrower's identity to the identified lender/broker.

6. The method of claim 2 and comprising, in response to the first information, determining third information regarding the borrower's credit-worthiness, loan affordability and the value of loan security the second information including the third information.

7. The method of claim 6 wherein determining third information comprises in response to the first information, outputting at least one request to a credit bureau, from the credit bureau receiving at least one reply to the request; and in response to the reply, determining the third information.

8. A method in response to the first information, determining a measure of certainty regarding the borrower's identity in comparison to the first information.

9. The method of claim 2 wherein receiving submissions comprises; receiving the submissions of a plurality of offers for providing the loan to the borrower for financing the loan securing item, the plurality of offers being submitted by the plurality of lenders and/or brokers in a manner that commits them to provide the loan if accepted by the borrower within a specified time period.

10. A method performed by a computing device, the method comprising;
    i) receiving first information about a borrower, including an identity of the borrower;
    ii) in response to the first information, determining second information regarding the borrower's creditworthiness;
    iii) calculation of borrower's loan affordability using various calculations.

iv) to at least one lender and/or broker, outputting third information enabling the loan source to determine whether to offer the loan to the borrower for financing a loan securing item, including at least a portion of the first information and the second information, yet withholding the borrower's identity;

v) from the lender and/or broker, receiving a submission of an offer for providing the loan to the customer for financing the item, the offer being submitted by the lender in response to the third information and in a manner that commits to provide the loan if accepted by the customer;

11. The method of claim 10 wherein receiving first information comprises receiving the first information including information about the loan securing item, and wherein outputting third information comprises outputting the third information including the information about the item.

12. A method performed by a computing device via the World Wide Web for coordinating an electronic loan application between a borrower and a plurality of lenders or brokers, comprising the steps of:

i) receiving selection criteria from one or more participating lenders or brokers

ii) receiving credit data from one or more credit reference bureaus;

iii) receiving valuation reports on loan security from one or more valuations agencies.

iv) Performing various loan computations including but not limited to affordability calculation, Net Disposable Income Ratio, Loan Value Ratio etc.

v) subjecting the credit data to a system that aggregates borrower's information to a plurality of selection criteria to automatically select a plurality of lenders and/or brokers associated with a match of the credit data to the selection criteria;

vi) transmitting the credit data, valuation data and loan affordability calculations to the selected lender to assist a determination of offering a loan to the borrower;

vii) coordinating communication between the selected lender and the borrower so that the borrower can accept a loan from one of the selected lenders.

13. A method of claim 12, wherein the step of coordinating communication further comprises the step of receiving a decision from the borrower regarding one or more offers made from the selected ones of the lenders or brokers.

14. A method of claim 12, wherein the loan offers may comprise services relating to one of first mortgages, second mortgages, car loans, student loans, personal loans, commercial loans and credit cards.

15. A system and method for coordinating business between a borrower and a plurality of lending institutions comprising:

i) a software

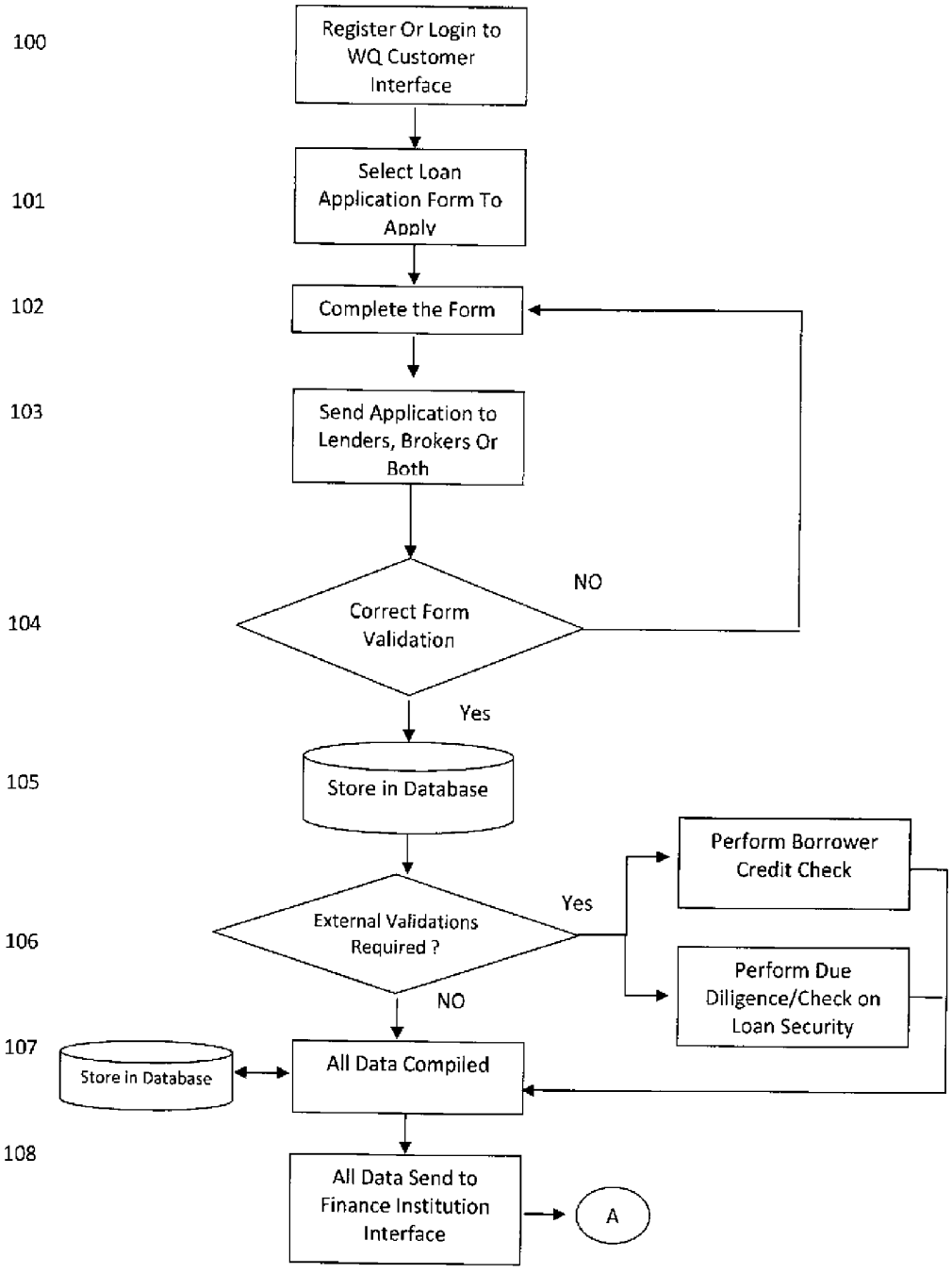
ii) a memory storage device;

iii) said software being responsive to execute instructions required for the performance of the claims, and operable for receiving selection criteria from a plurality of lenders or brokers; receiving credit data sent from the credit reference bureau; employing the selection criteria to match automatically one or more lenders or brokers from the plurality of lenders or brokers; and forwarding the credit data plus the borrower information to the selected one or more lending institutions; whereby the selected lending institutions compete with each other for business with the computer user.

16. The method of claim **15**, wherein said software is further operable for determining an appropriate transfer method to forward the credit data and borrower information to the selected lending institutions.

17. The method of claim **15**, wherein said software is further operable for displaying a plurality offers from a plurality of lenders and/or brokers to the borrower.

FIG. 1


100
Register Or Login to WQ Customer Interface
101
Select Loan Application Form To Apply
102
Complete the Form
103
Send Application to Lenders, Brokers Or Both
104
Correct Form Validation
NO
Yes
105
Store in Database
106
External Validations Required ?
Yes
NO
Perform Borrower Credit Check
Perform Due Diligence/Check on Loan Security
107
Store in Database
All Data Compiled
108
All Data Send to Finance Institution Interface
A

15

FIG. 2

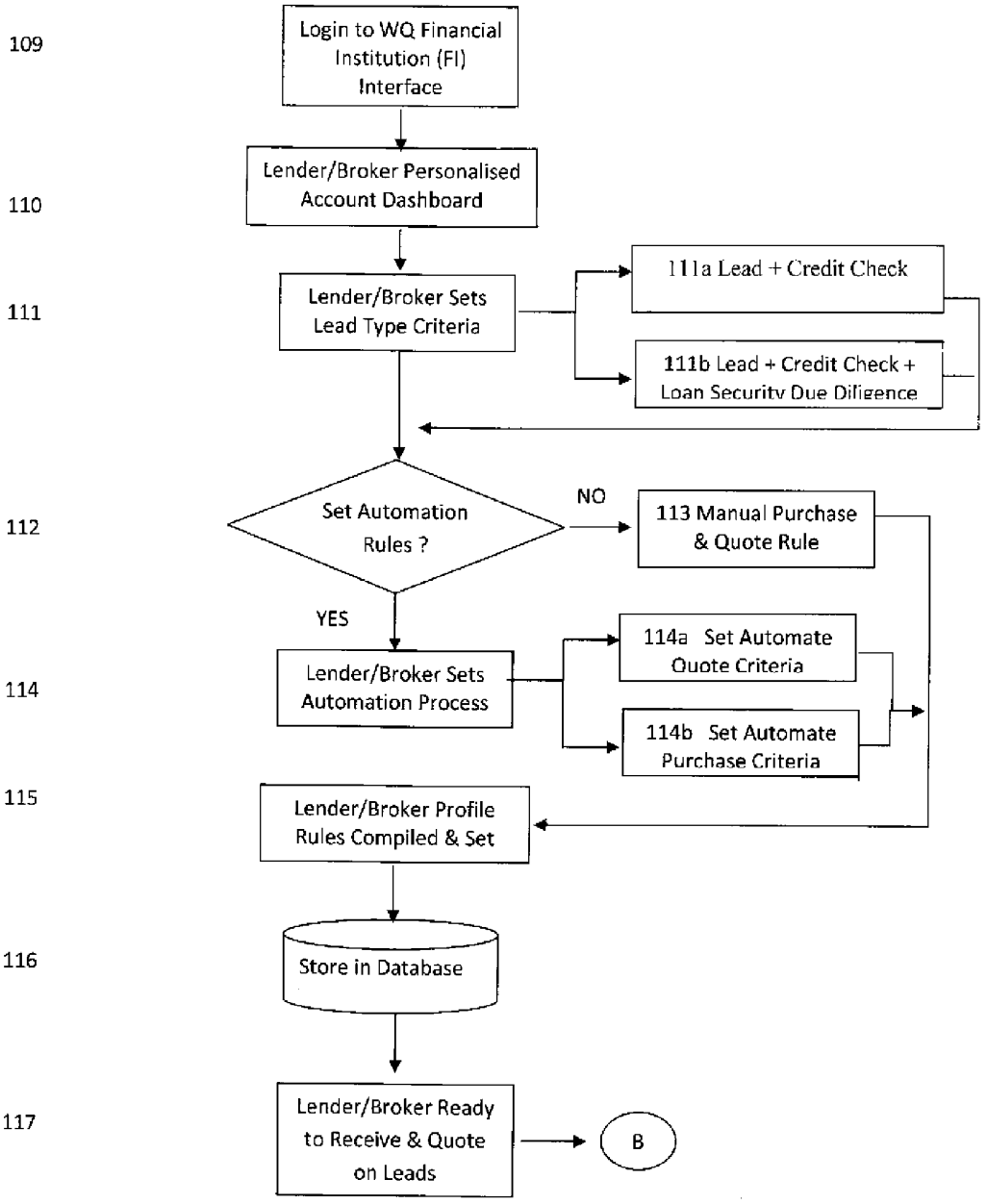
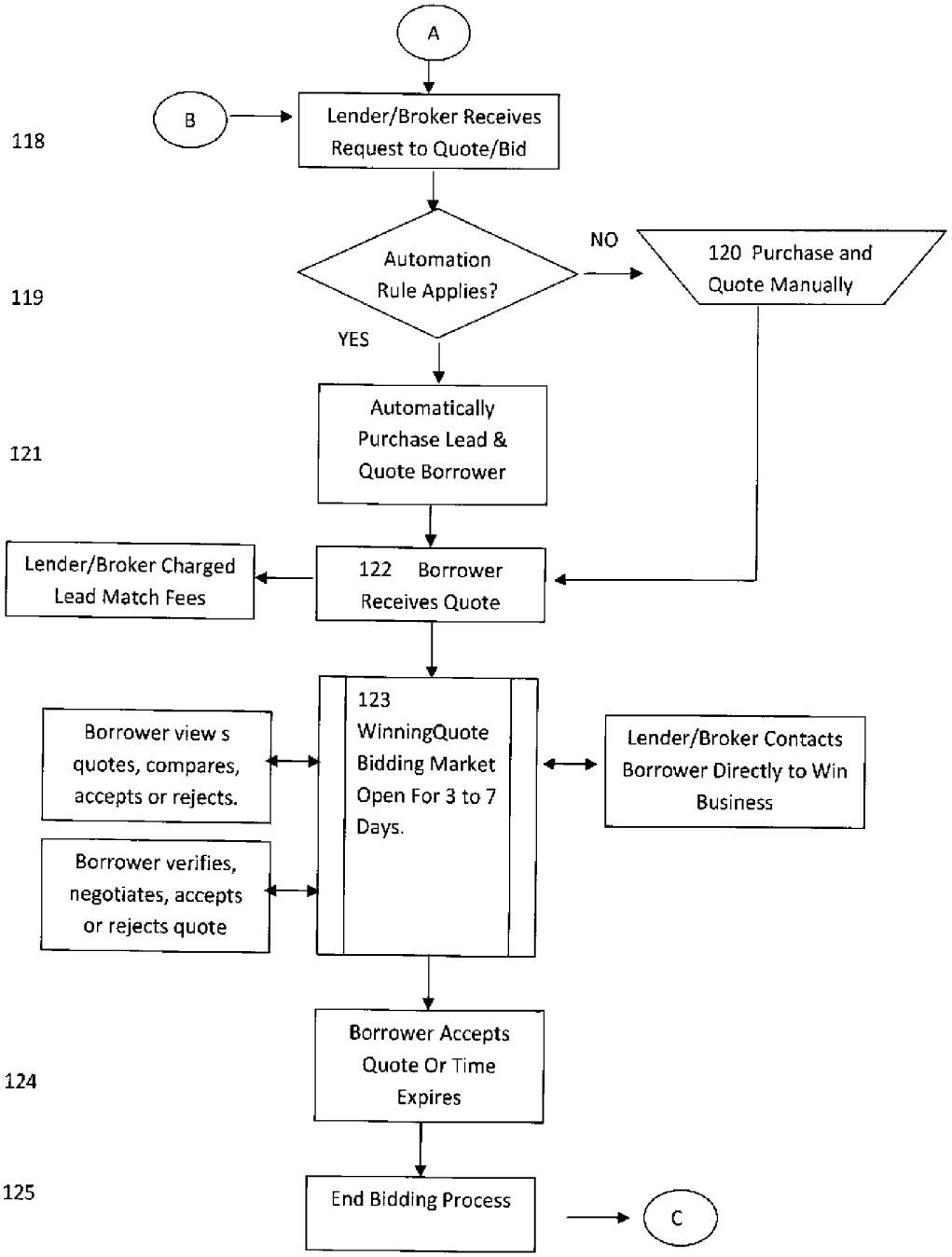

109
Login to WQ Financial Institution (FI) Interface
110
Lender/Broker Personalised Account Dashboard
111
Lender/Broker Sets Lead Type Criteria
111a Lead + Credit Check
111b Lead + Credit Check + Loan Security Due Diligence
112
Set Automation Rules ?
NO
113 Manual Purchase & Quote Rule
YES
114
Lender/Broker Sets Automation Process
114a Set Automate Quote Criteria
114b Set Automate Purchase Criteria
115
Lender/Broker Profile Rules Compiled & Set
116
Store in Database
117
Lender/Broker Ready to Receive & Quote on Leads
B

FIG. 3


A
B
Lender/Broker Receives Request to Quote/Bid
118
Automation Rule Applies?
119
NO
120 Purchase and Quote Manually
YES
Automatically Purchase Lead & Quote Borrower
121
Lender/Broker Charged Lead Match Fees
122 Borrower Receives Quote
123 WinningQuote Bidding Market Open For 3 to 7 Days.
Borrower view s quotes, compares, accepts or rejects.
Borrower verifies, negotiates, accepts or rejects quote
Lender/Broker Contacts Borrower Directly to Win Business
Borrower Accepts Quote Or Time Expires
124
End Bidding Process
125
C

17

FIG. 4

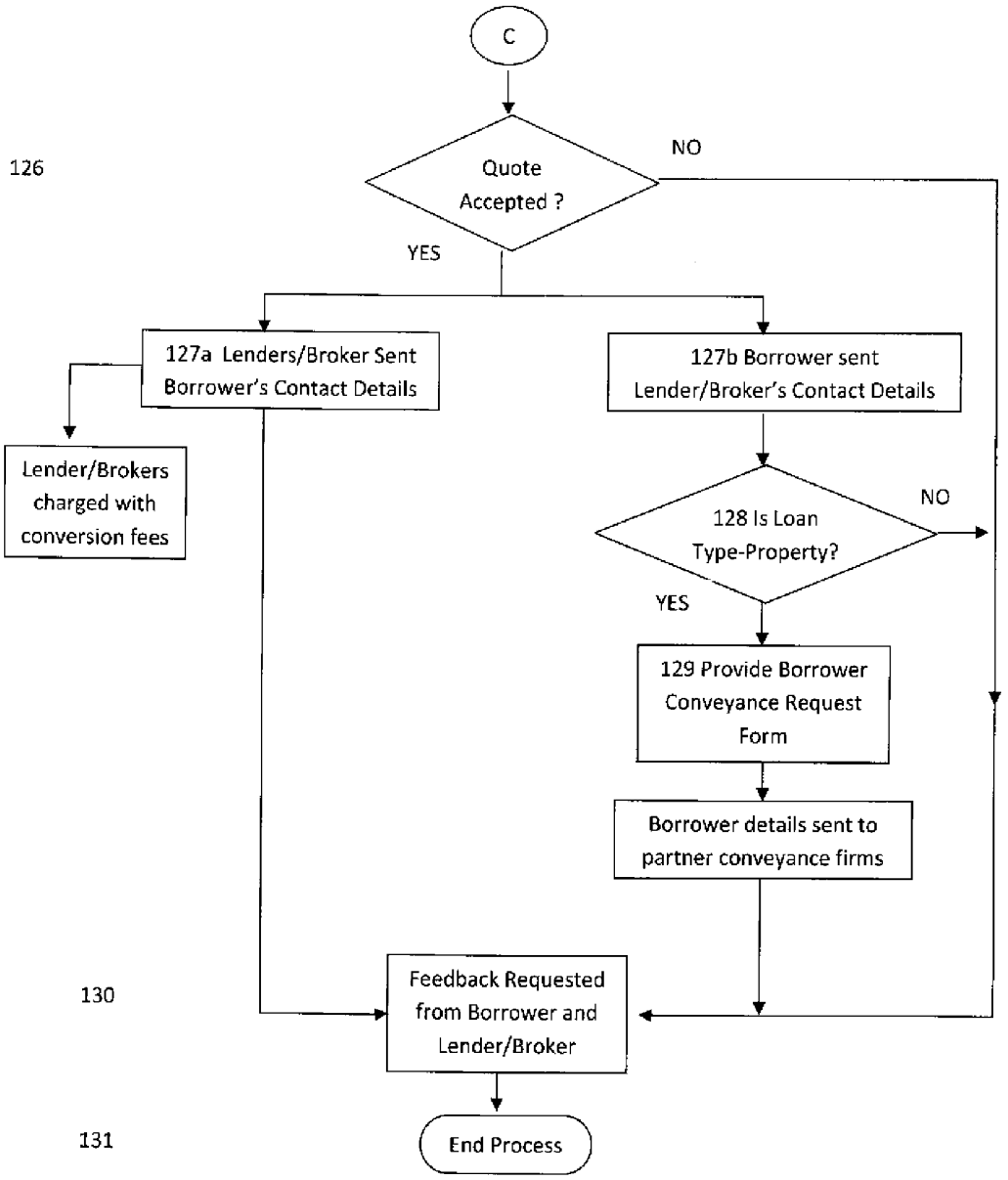
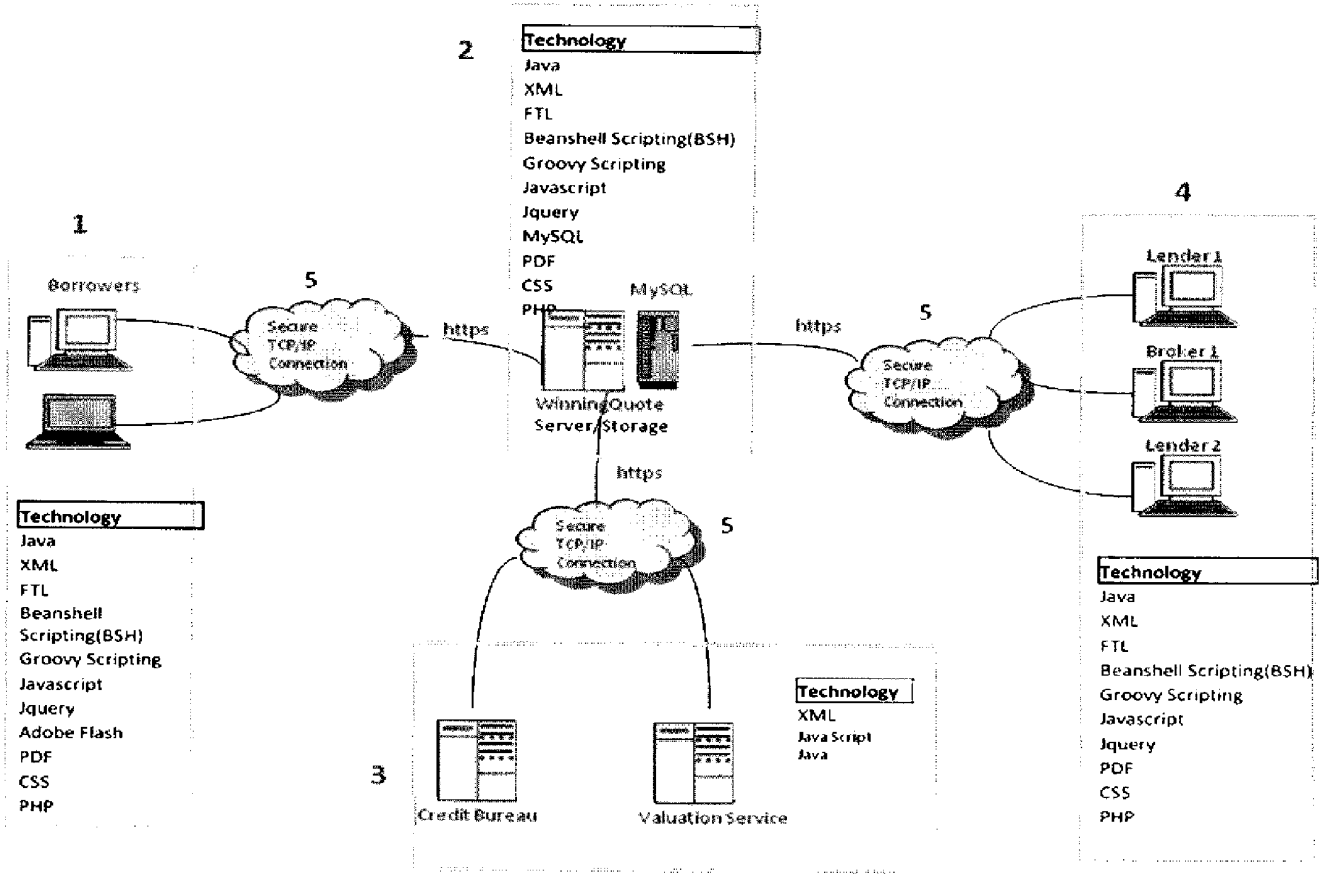

C
126
Quote Accepted ?
NO
YES
127a Lenders/Broker Sent Borrower's Contact Details
127b Borrower sent Lender/Broker's Contact Details
Lender/Brokers charged with conversion fees
128 Is Loan Type-Property?
NO
YES
129 Provide Borrower Conveyance Request Form
Borrower details sent to partner conveyance firms
130
Feedback Requested from Borrower and Lender/Broker
131
End Process

FIG. 5


1
Borrowers
Technology
Java
XML
FTL
Beanshell
Scripting(BSH)
Groovy Scripting
Javascript
Jquery
Adobe Flash
PDF
CSS
PHP
5
Secure
TCP/IP
Connection
https
2
Technology
Java
XML
FTL
Beanshell Scripting(BSH)
Groovy Scripting
Javascript
Jquery
MySQL
PDF
CSS
PHP
MySQL
Winning Quote
Server/Storage
https
5
Secure
TCP/IP
Connection
3
Credit Bureau
Valuation Service
Technology
XML
Java Script
Java
4
Lender 1
Broker 1
Lender 2
Technology
Java
XML
FTL
Beanshell Scripting(BSH)
Groovy Scripting
Javascript
Jquery
PDF
CSS
PHP