



CONDUCTIV

Permissioned Data for Credit Unions.

Driving better, faster, and fairer lending (and more).

September 2023

Session: The Power of Permissioned Data

Permissioned data is *detailed and highly descriptive of a member's financial behavior*, but, it requires members to *provide access*. This data can be broken into categories like income, debt, and identity, cash flows, payments, and more.

Today, there is an overwhelming amount of permissioned data coming from many different sources. **Credit unions must use this data to make better, faster, and fairer decisions in consumer and business lending.** Credit unions must identify the right data sources, implement the APIs, and use this data to make decisions.

This presentation hopes to be a digestible overview of the data categories, use cases, and best practices from credit unions who are opening, approving, and funding more deposit, loan, and credit applications, and reaching new (lower-FICO) members.



Gopal Swamy

Founder & CEO of Conductiv Inc.

TruStage Ventures Portfolio Company

<https://www.linkedin.com/in/gopalnswamy/>

Agenda.

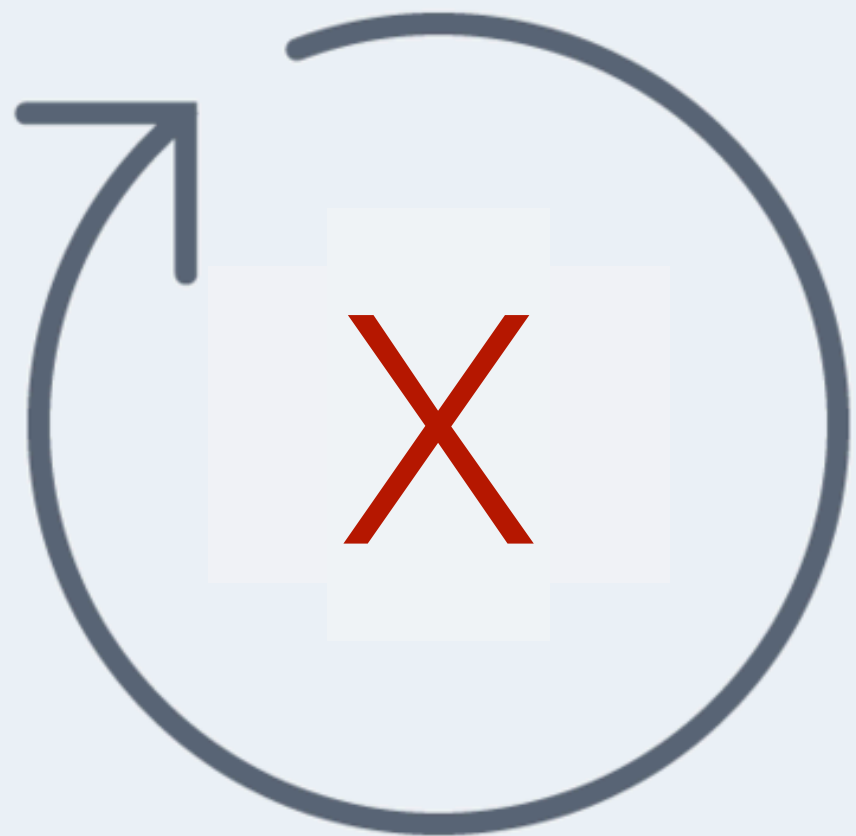
1. Opportunity
2. Permissioned Data
3. Use cases
4. Examples
5. About Conductiv

Opportunity.

Opportunity.

Credit unions are driven by both mission and margin, and **manually decision a high percentage of applications.**

Declined



Pended



Approved



Opportunity.

This is because **30%+ of the time, credit bureau data is missing, inaccurate, or stale** making it hard to tell who is creditworthy.



#1 complaint reported to the CFPB is incorrect information listed on reports.



Bad data makes **26%** of Americans and businesses **appear riskier to lenders!***

30% of applications unnecessarily delayed or declined.

Loans and deposits are lost to competitors!

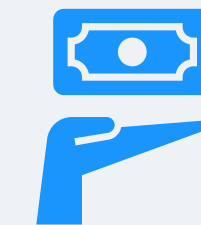
The data gap.

- Bureaus don't have **transactional and account-level information** stored in **permissioned-protected** data sources.
- Members give credit unions **permission to access this data** on their behalf.

Permissioned Data



Account Data



Income Data



Business Data




Identity Data

Dodd Frank and missing data.

The member has to be able to pay back!

Regulation Z

Comment 51(b)(2)-2

 Consumer Financial Protection Bureau

🔍 Search

📄 Submit a Complaint

Consumer Education ▾

Rules & Policy ▾

Enforcement ▾

Compliance ▾

Data & Research ▾

News ▾

← [Interactive Bureau Regulations](#) / [12 CFR Part 1026 \(Regulation Z\)](#)

Subpart A - General
§ 1026.1-§ 1026.4 +

Subpart B - Open-End Credit
§ 1026.5-§ 1026.16 +

Subpart C - Closed-End Credit
§ 1026.17-§ 1026.24 +

Subpart D - Miscellaneous
§ 1026.25-§ 1026.30 +

§ 1026.51 Ability to Pay.

THIS VERSION IS THE CURRENT REGULATION

[📅 View all versions of this regulation](#)

[🔍 Search this regulation](#)

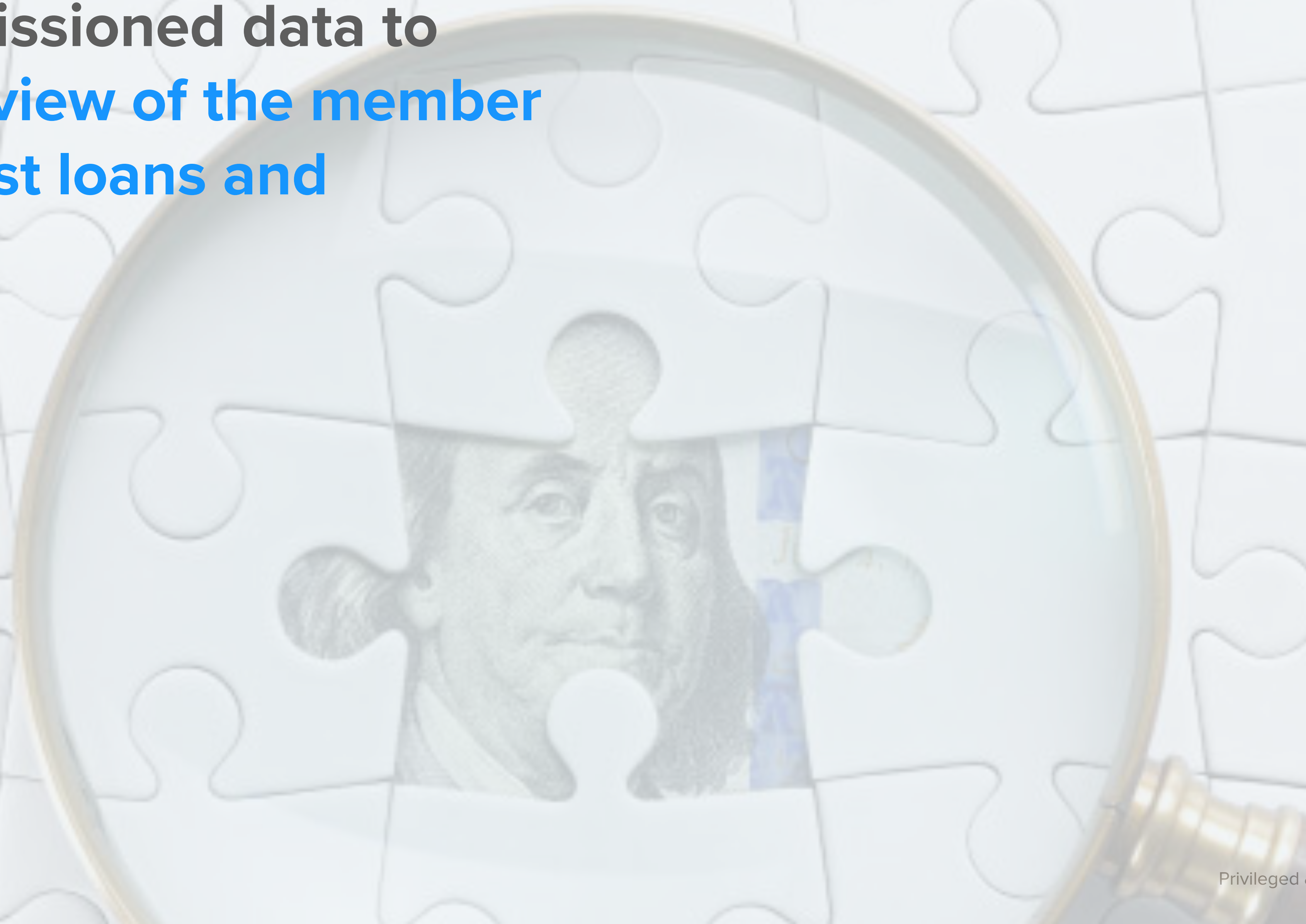
(a) General rule –

Official interpretation of 51(a) General Rule
+

(1)

(i) Consideration of ability to pay. A card issuer must not open a credit card

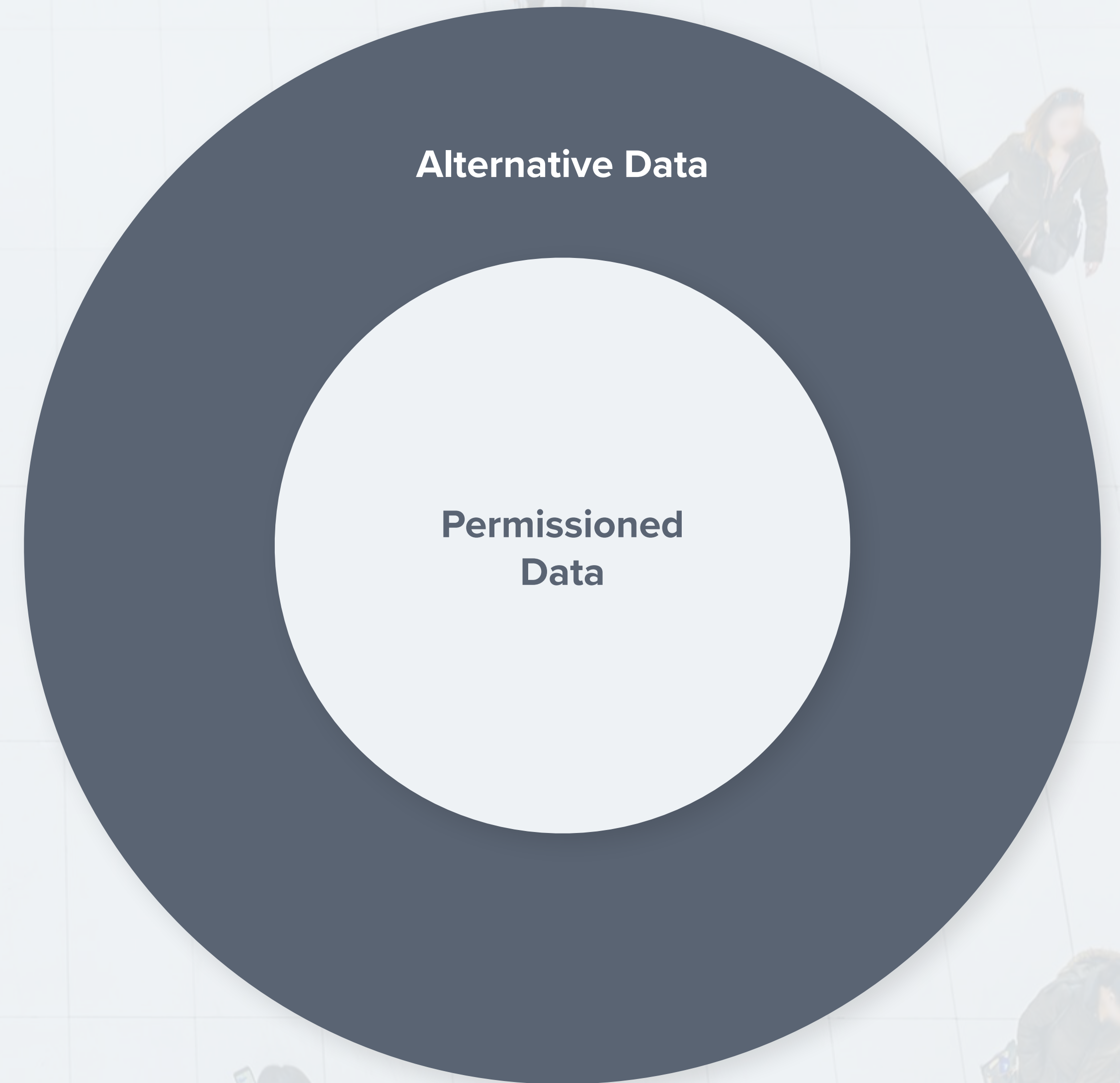
Credit unions can fill this data gap with permissioned data to gain a clearer view of the member and recover lost loans and deposits.



Permissioned data.

Permissioned data.

- Is a powerful form of alternative data.
- Is *transactional and account-level information* that members give credit unions *permission* to access on their behalf.
- Largely is *not stored in the credit report*.



Granting permission.

Members decide what information to share with credit unions. By choosing to share their data, members provide a more complete picture of their creditworthiness.

Sign in to securely connect your account to share income and employment info.

This will be used to evaluate your application. We never share this information or have direct access to your account.

Select A Bank

← Wells Fargo × Search

- Wells Fargo
<http://www.wellsfargo.com/>
i
- Wells Fargo (Commercial Electronic Office)
<http://www.wellsfargo.com/com/>
i
- Wells Fargo (Your Retirement Plan)
<http://www.wellsfargo.com/retirementplan/>
i
- Wells Fargo - Private Client Services
<http://www.wellsfargo.com/>
i

Sign in to securely connect your account to share income and employment info.

This will be used to evaluate your application. We never share this information or have direct access to your account.

Log In

www.wellsfargo.com
online.wellsfargo.com

i

Please enter your Wells Fargo online account login information.

Username

Password

Re-enter Password

Next

Sign in to securely connect your account to share income and employment info.

This will be used to evaluate your application. We never share this information or have direct access to your account.

Recently Added

We have successfully added your account
✓

- Wells Fargo - Bank - CRWN BANK - 0957
\$20,653.22
(Up-to-date)
×
- Wells Fargo - Bank - HI PERF MM - 2469
\$24,588.57
(Up-to-date)
×

I acknowledge that the above accounts' information will be sent to Golden1 Credit Union for review.

Submit

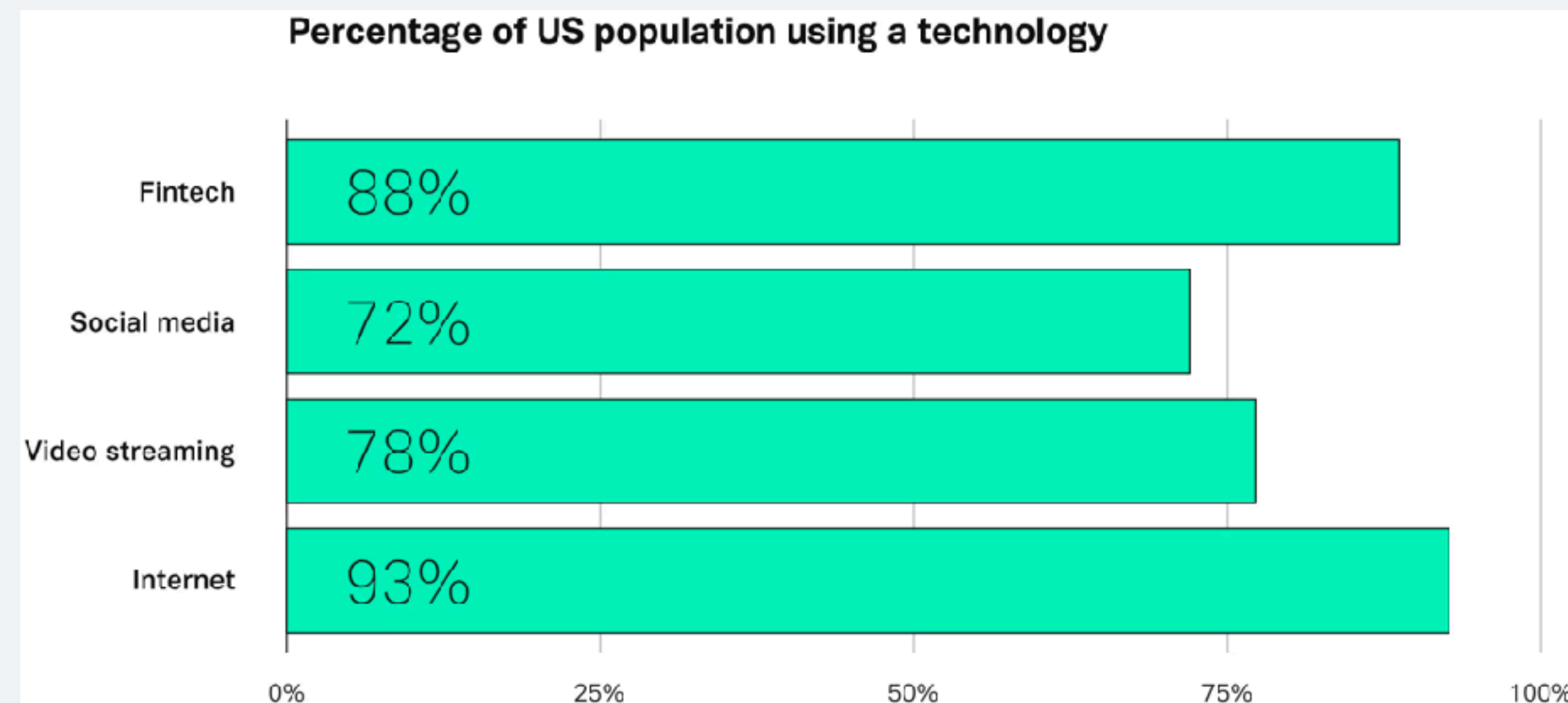
The mindset of the member has changed.

Members view permissioning as a benefit, not a barrier.

There are **more than 7,000 financial apps** and services that are powered by Plaid.*

Plaid connects to more than **12,000 financial institutions**.*

1 in 4 US adults has connected a financial account to an app with Plaid—**and that number is growing every day**.*



The percentage of US fintech users grew from **58% to 88%** from 2020-2021, a **52% increase in just one year****

*<https://plaid.com/how-we-handle-data/>

**<https://plaid.com/resources/api/financial-api-adoption/>

Difficult to manage so many permissioned data aggregators.

Account Data: Account Type, Current balance, Available balance, Average Balance (24 mos.), Last Updated Timestamp, Current Credit Limit Amount, Deposit Amounts, Types and Frequencies and more...

Income Data: Wages, Tips & Other Comp, Ordinary Dividend Income, Adjusted Gross Income, Business Income or Loss Schedule C, Unemployment Compensation, Other Income, Estate and Trust Income, Total Income, Payroll Data, Salary, Frequency of Payment, Duration of Employment, and more...

Business Data: Accounts Receivable, Accounts Payable, Cash Balance, Expenses, Payroll Costs, P&L, Balance Sheets, Cash Flows, and more...

Identity Data: Name, Last Name, SSN and Address Verification, Driver's License Number Verification, EMEI Number Verification, Out of wallet Questions, and more...



Examples - approach.

Credit unions pick their preferred approach.



Conservative

Lowest risk
Lower Approval Rate Lift

No change to lending model



Measured

Slight risk
Higher Approval Rate Lift

Slight change to lending model



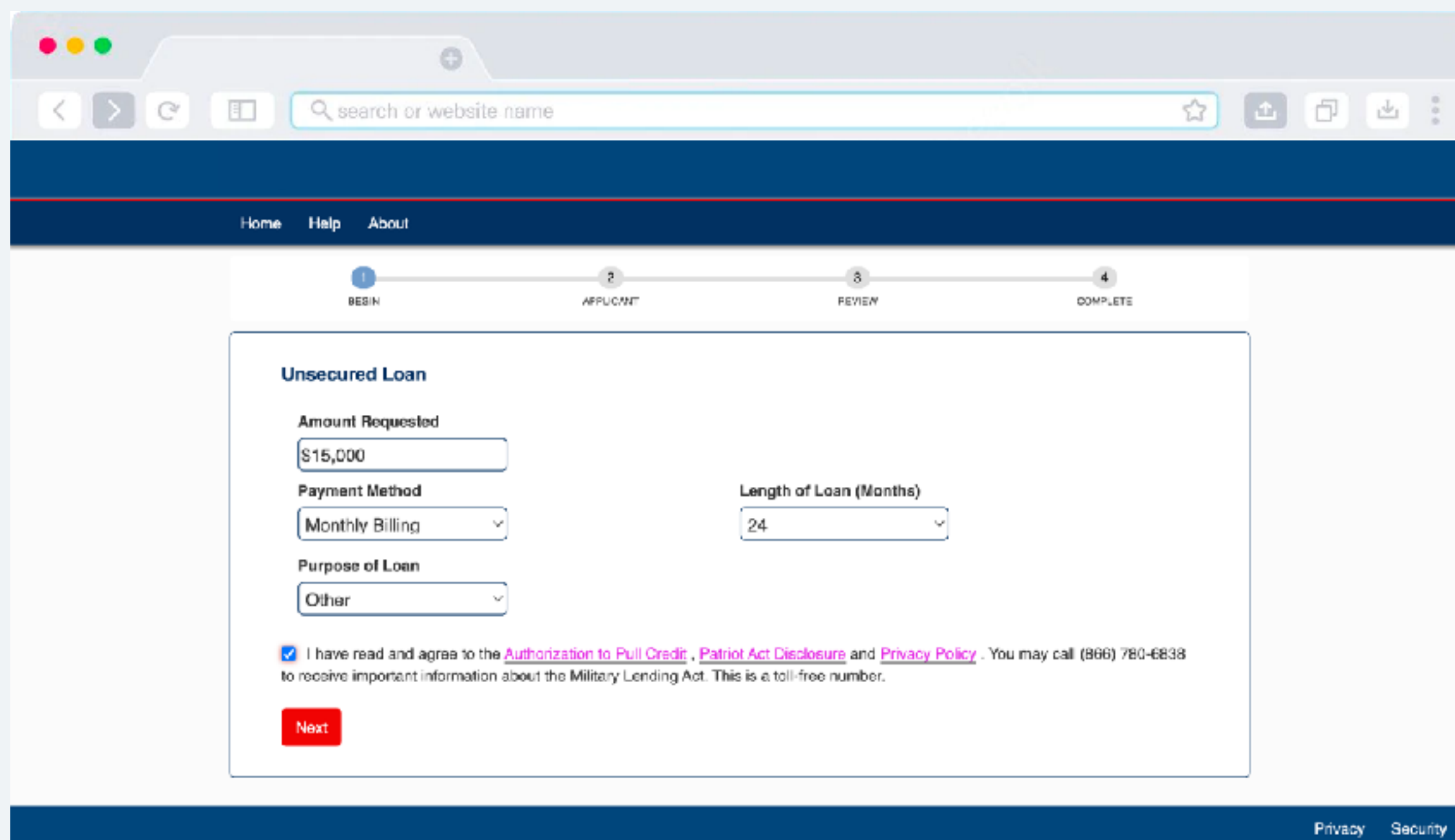
Growth

More risk
Highest Approval Rate Lift

Moderate changes to lending model

Example 1.

Member applies on credit union loan origination system.



Home Help About

1 BEGIN 2 APPLY 3 REVIEW 4 COMPLETE

Unsecured Loan

Amount Requested:

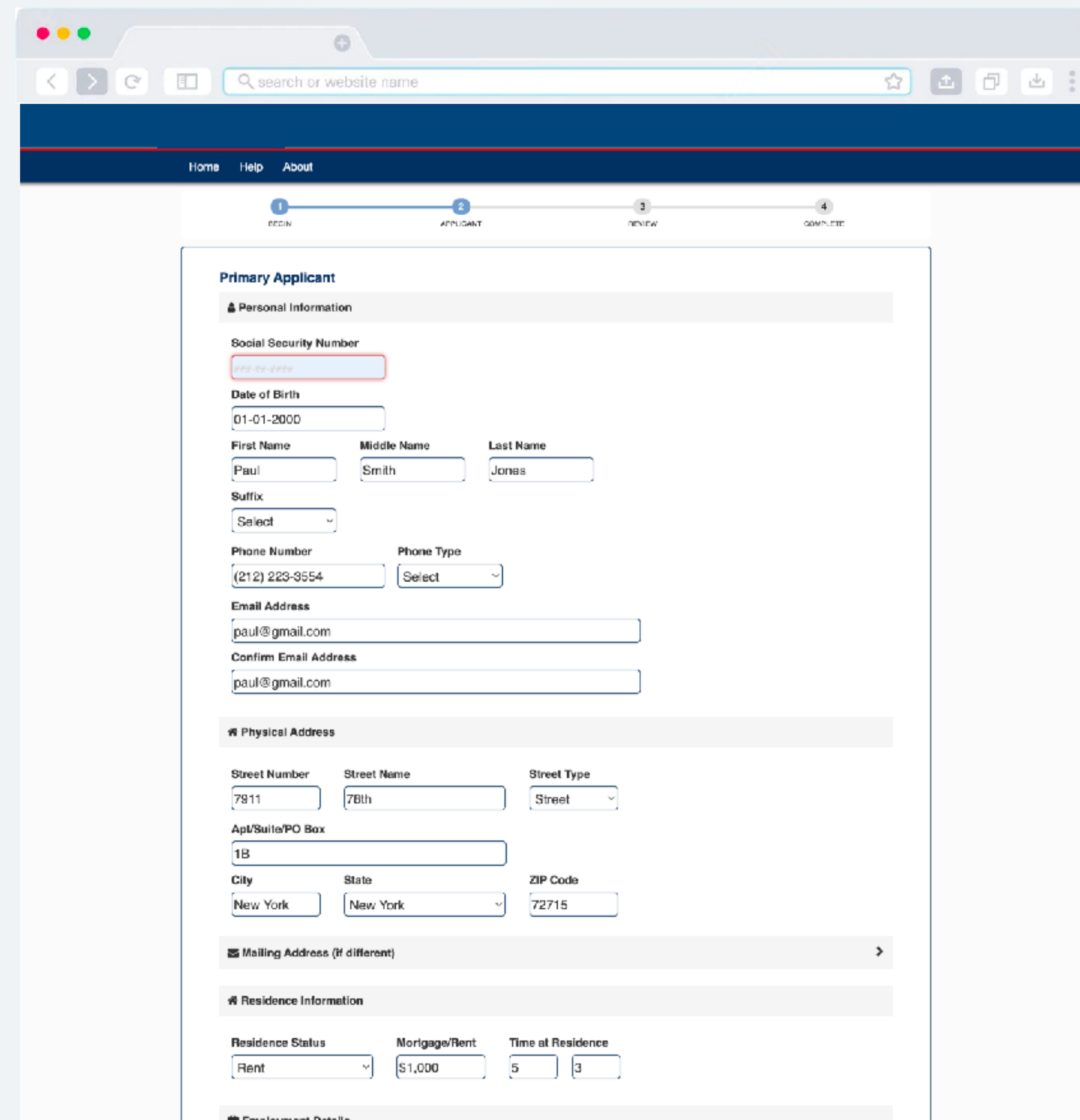
Payment Method:

Purpose of Loan:

Length of Loan (Months):

I have read and agree to the [Authorization to Pull Credit](#), [Patriot Act Disclosure](#) and [Privacy Policy](#). You may call (866) 780-6838 to receive important information about the Military Lending Act. This is a toll-free number.

Privacy Security



Home Help About

1 BEGIN 2 APPLY 3 REVIEW 4 COMPLETE

Primary Applicant

Personal Information

Social Security Number:

Date of Birth:

First Name: Middle Name: Last Name:

Suffix:

Phone Number: Phone Type:

Email Address:

Confirm Email Address:

Physical Address

Street Number: Street Name: Street Type:

Apt/Suite/PO Box:

City: State: ZIP Code:

Mailing Address (if different)

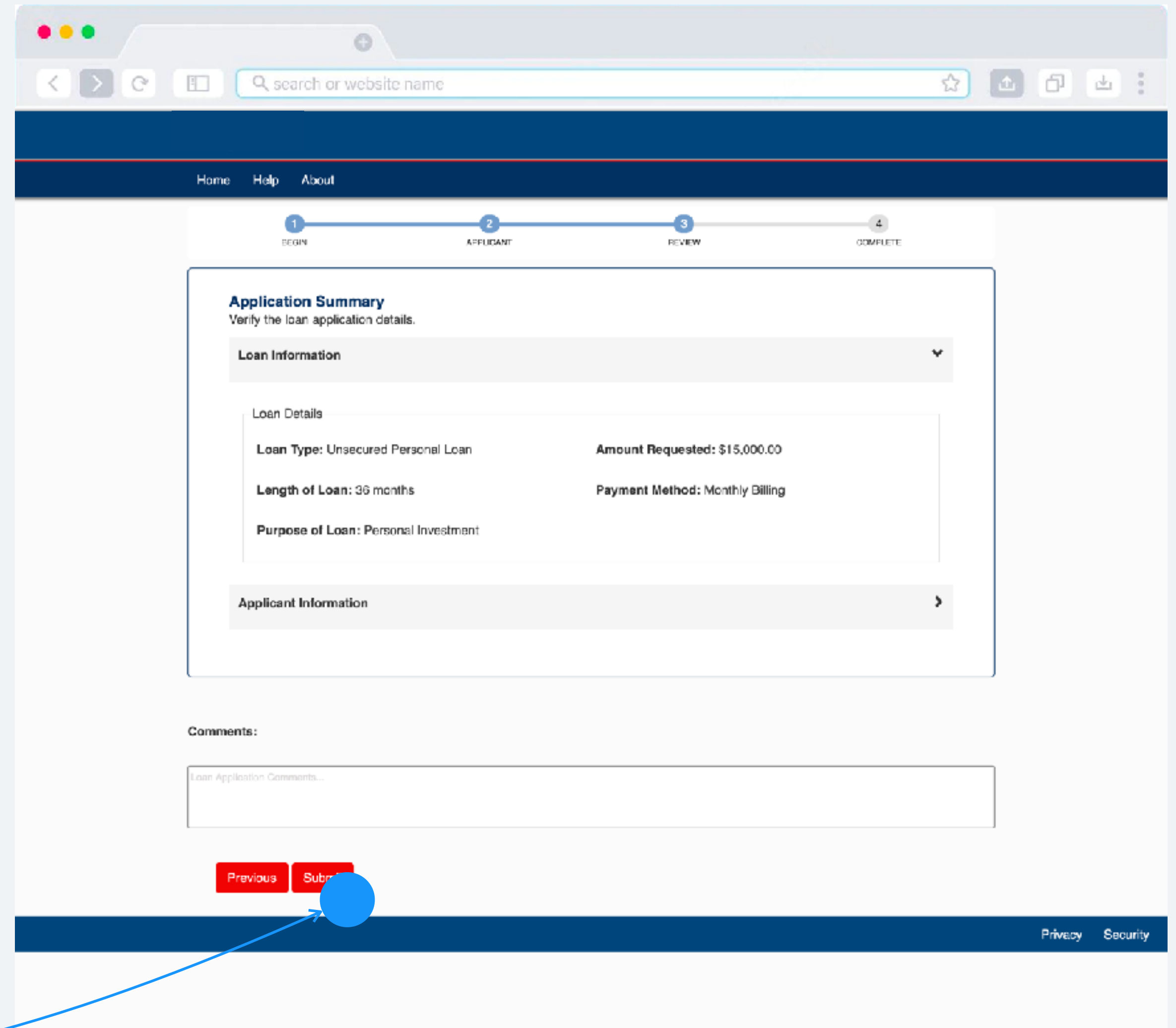
Residence Information

Residence Status: Mortgage/Rent: Time at Residence:

Employment Details

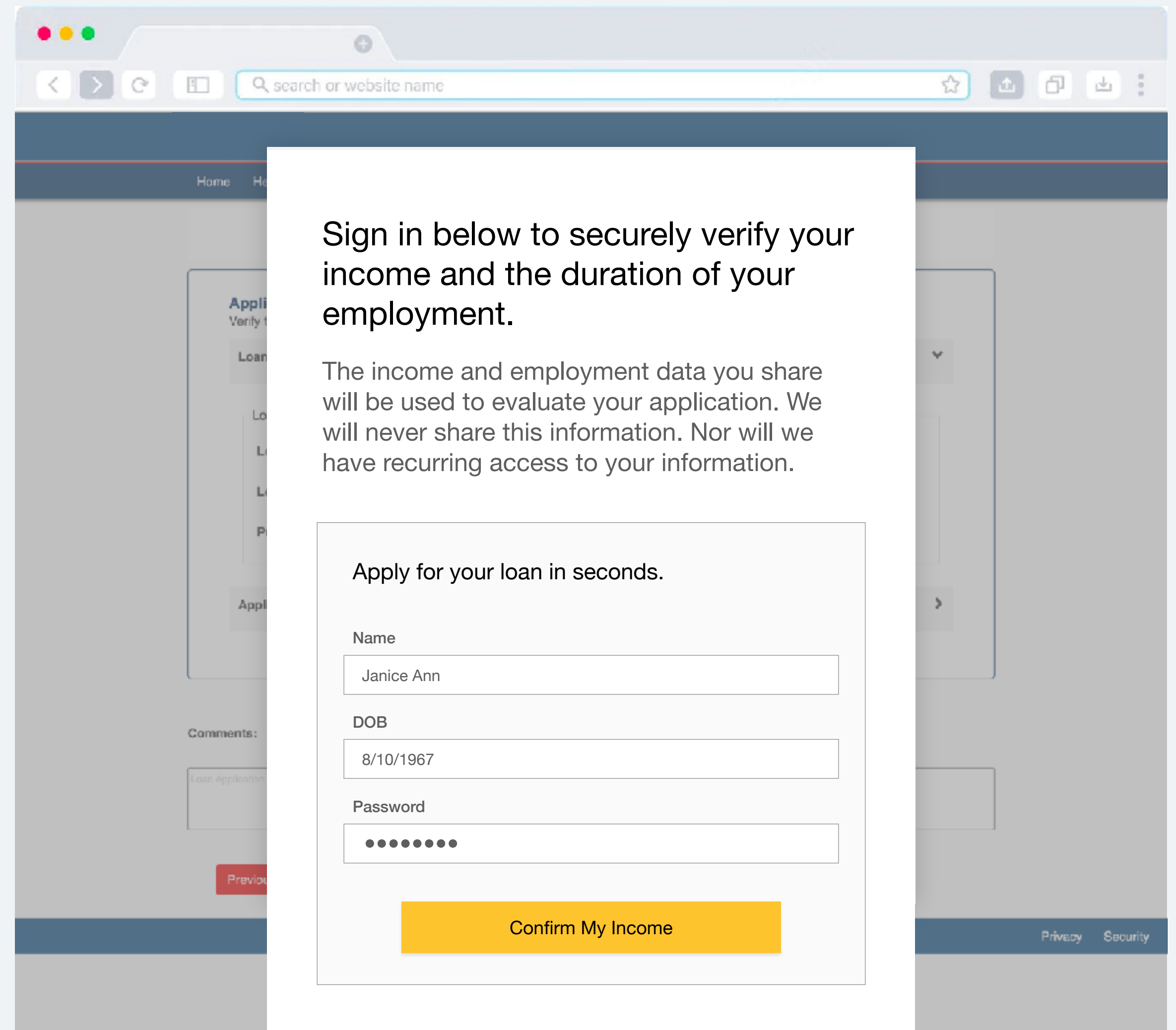
Credit union calls Conductiv after hard credit pull on loan application.

Applicant clicks “Submit” and Credit Union’s LOS makes a call to the Conductiv API.



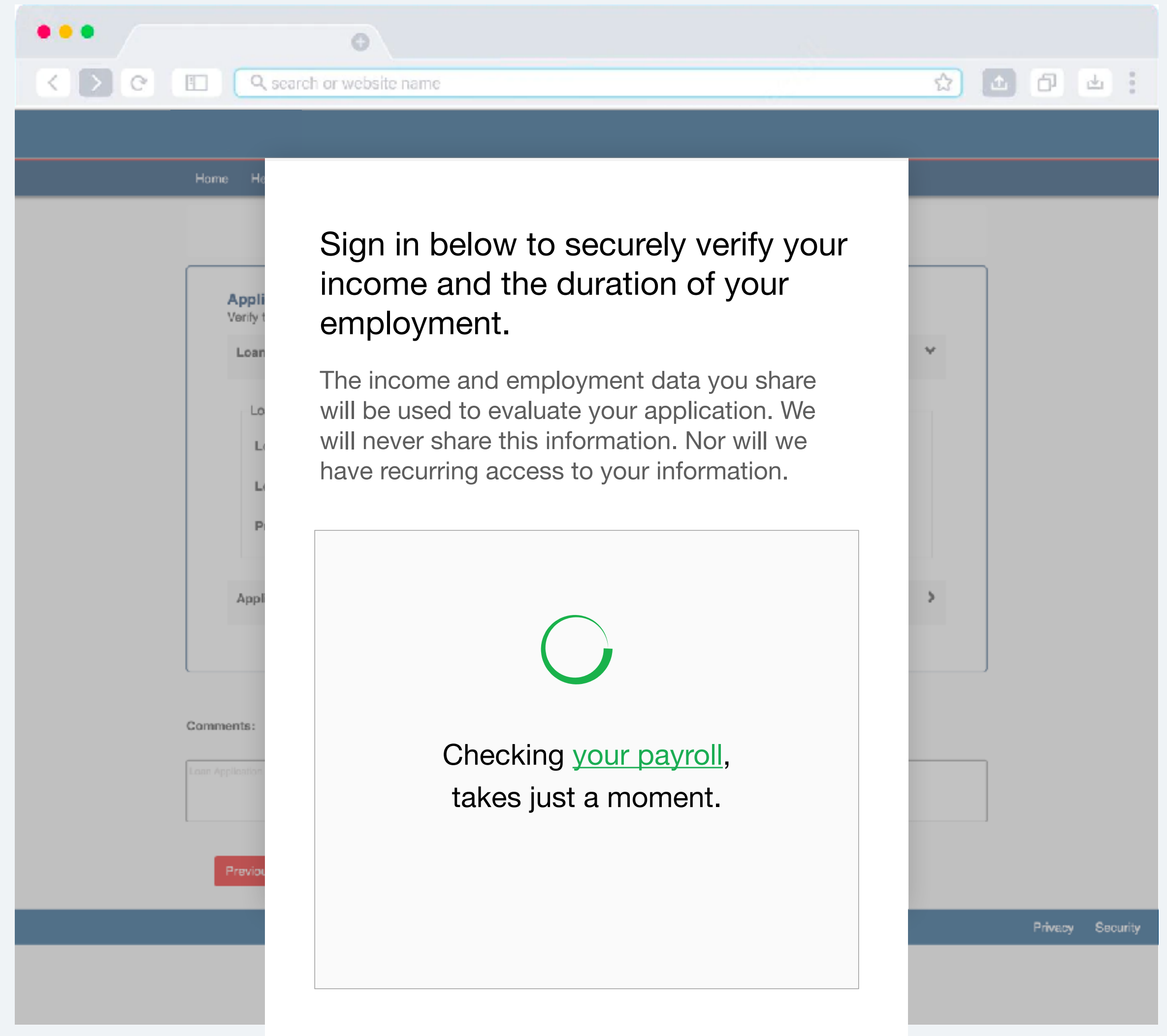
Example 1

Digital income verification.



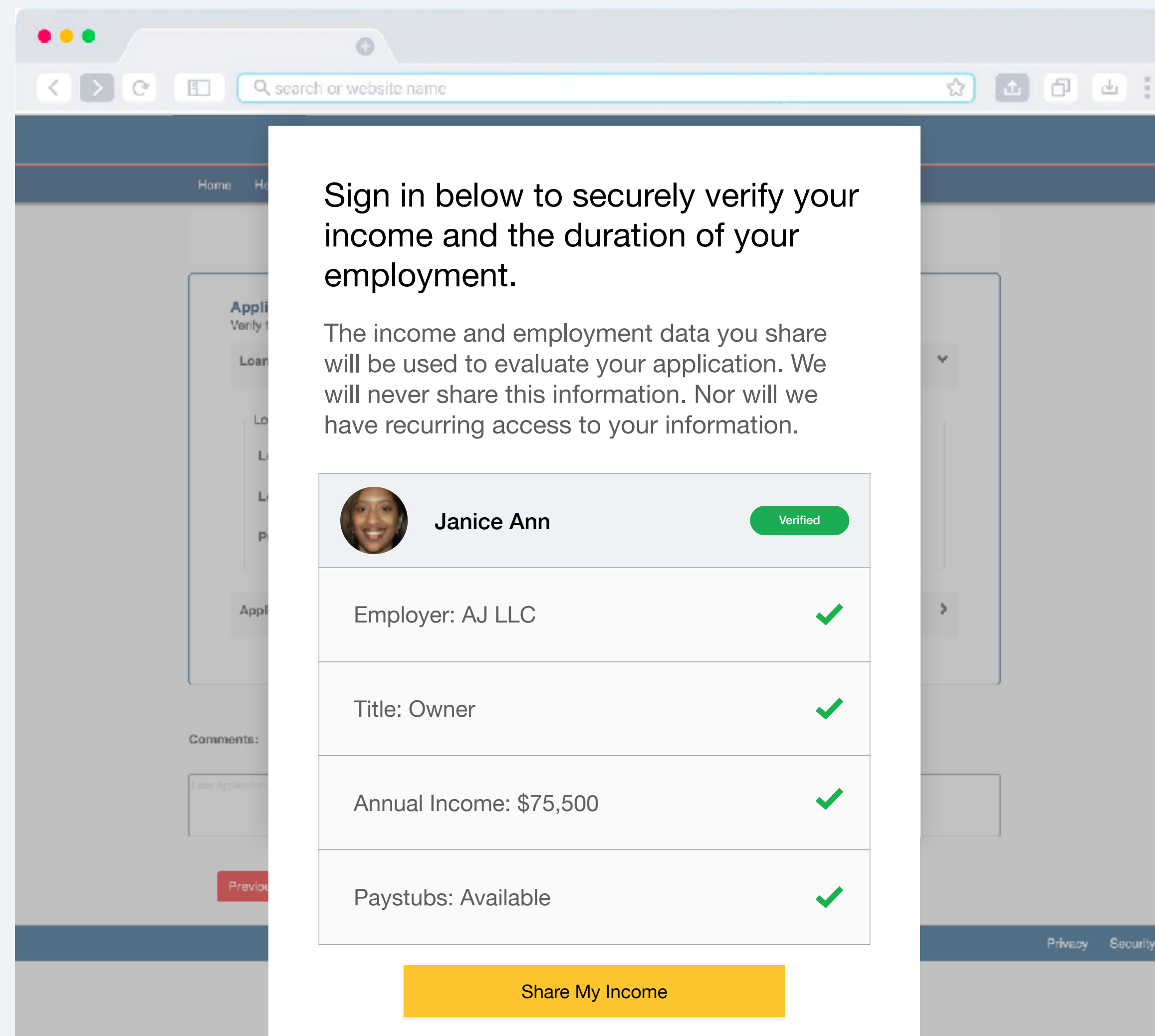
Example 1

Digital income verification.



Example 1

Digital income verification.

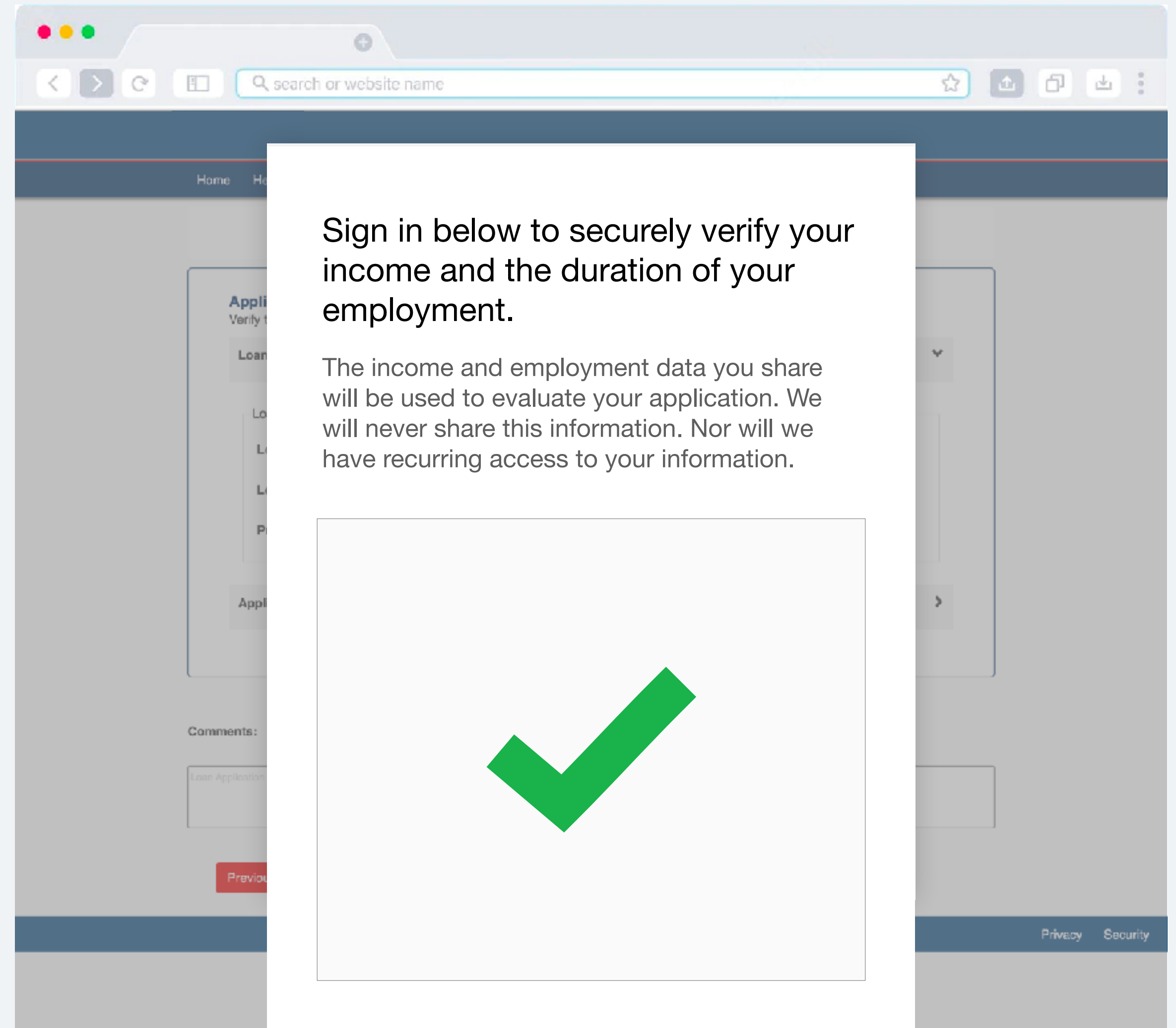


Example 1

Digital income verification.

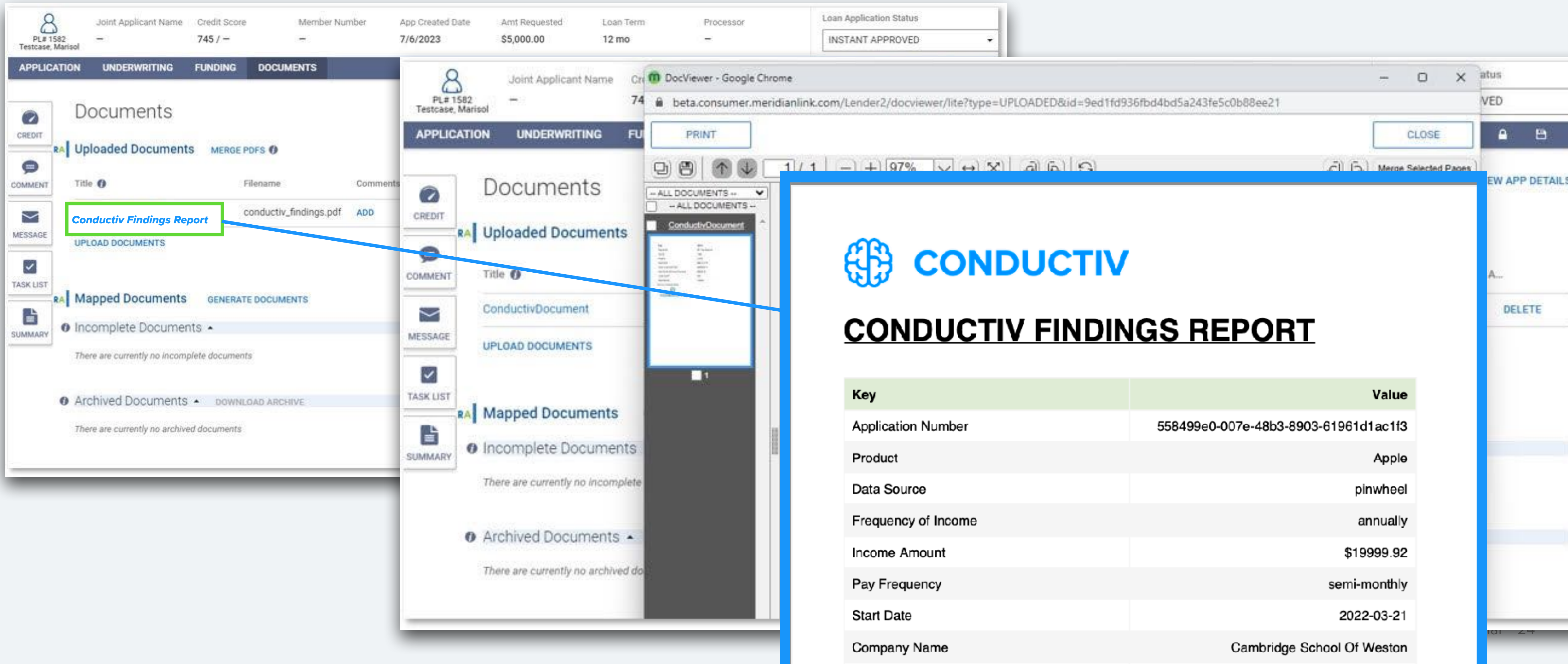
Digitally add income data:

- **START_DATE** - The date the employee began their job.
- **INCOME_FREQUENCY** - The compensation time frame (hourly, bi-weekly, monthly).
- **INCOME_AMOUNT** - The amount per compensation unit.



Example 1

Digital income verification.



The screenshot displays a loan application management interface. At the top, a summary bar shows application details: PL# 1582, Testcase, Marisol; Credit Score 745; App Created Date 7/6/2023; Amt Requested \$5,000.00; Loan Term 12 mo; Processor -; Loan Application Status INSTANT APPROVED.

The main interface is divided into sections: **Documents**, **Uploaded Documents**, **Mapped Documents**, **Incomplete Documents**, and **Archived Documents**. A document titled **Conductiv Findings Report** is highlighted in the 'Uploaded Documents' section.

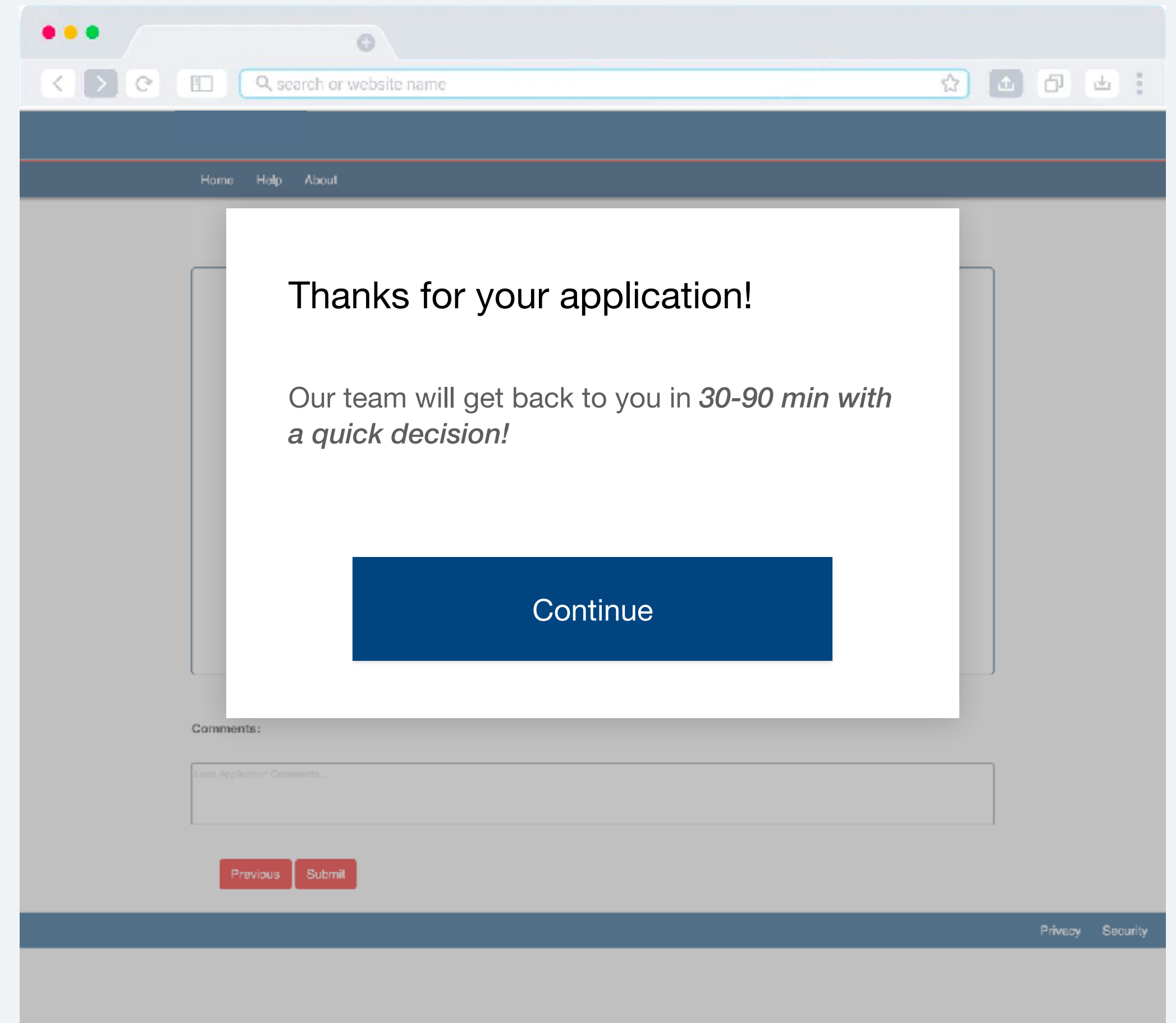
A document viewer window is open, displaying the **CONDUCTIV FINDINGS REPORT**. The report includes the following data:

Key	Value
Application Number	558499e0-007e-48b3-8903-61961d1ac1f3
Product	Apple
Data Source	pinwheel
Frequency of Income	annually
Income Amount	\$19999.92
Pay Frequency	semi-monthly
Start Date	2022-03-21
Company Name	Cambridge School Of Weston

Example 1

Digital income verification.

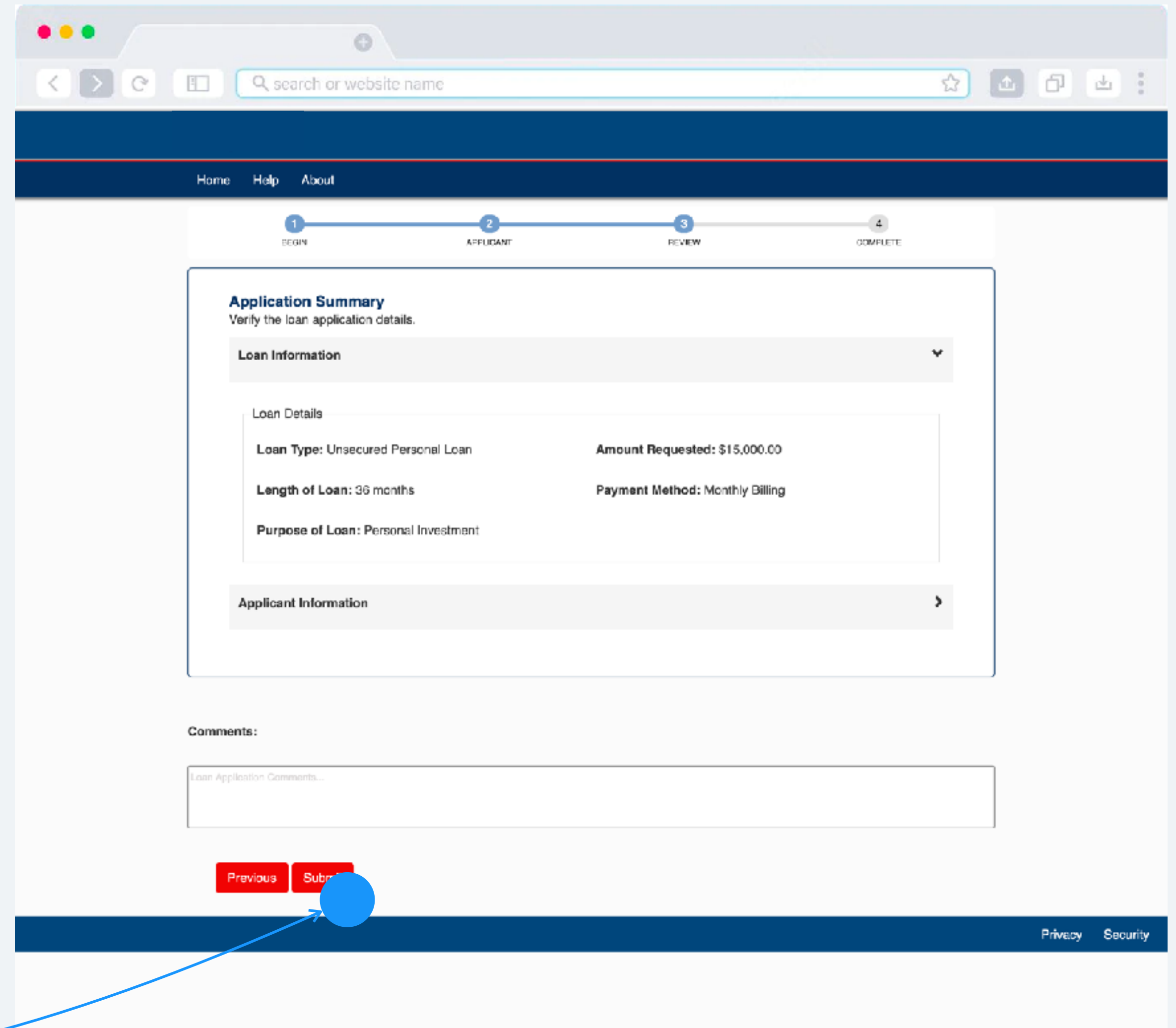
- Credit unions are supplementing manual underwriting.
 - Use the data that underwriting SOPs already specify.
 - Stipulation data that is required most frequently.
 - Use fresher, more accurate versions of already used data points
 - **No need to change the credit box / model.**



Example 2.

Credit union calls Conductiv after hard credit pull on loan application.

Applicant clicks “Submit” and Credit Union’s LOS makes a call to the Conductiv API.



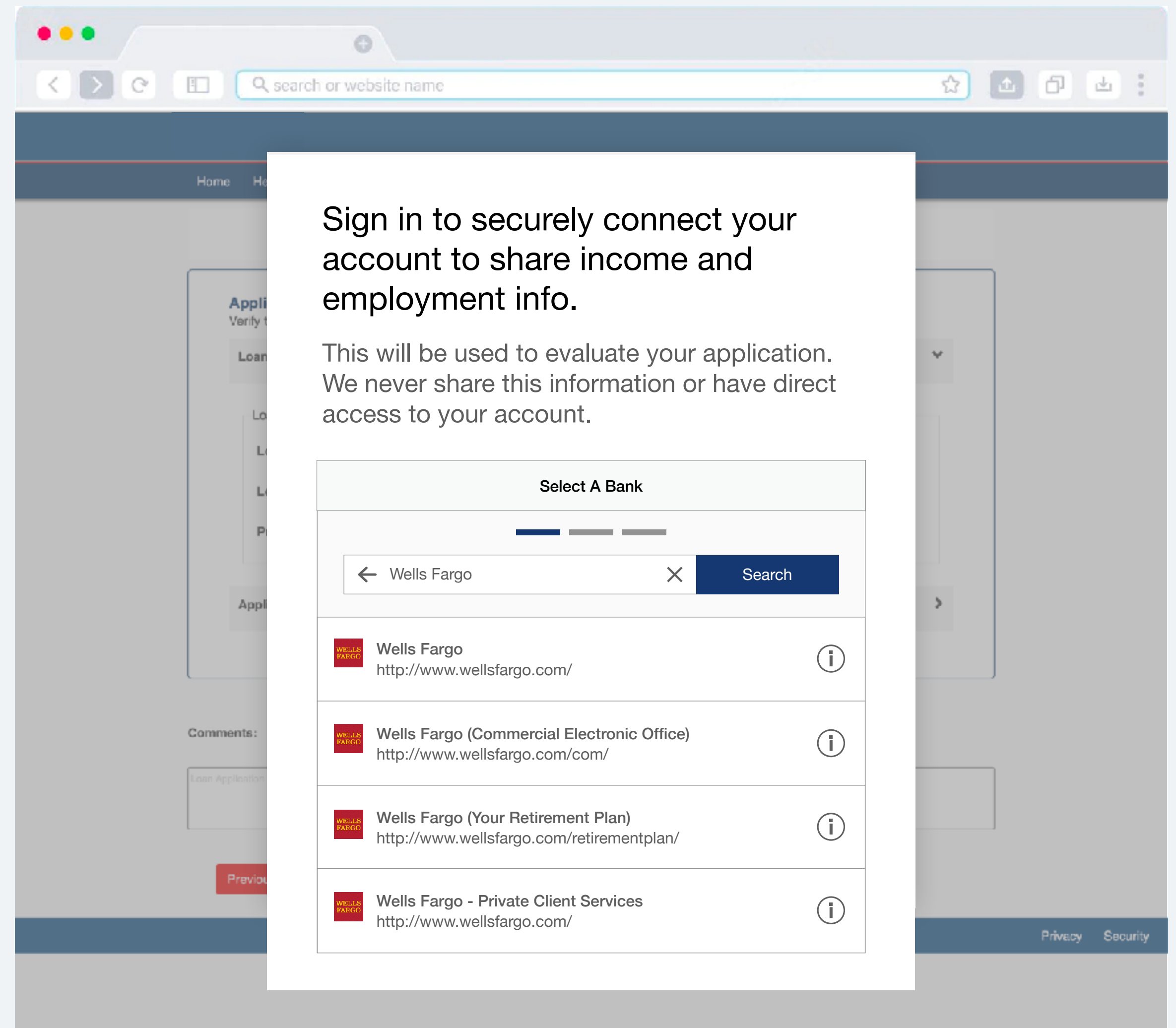
The screenshot shows a web browser window displaying a loan application form. At the top, there is a navigation bar with 'Home', 'Help', and 'About' links. Below this is a progress indicator with four steps: 1. BEGIN, 2. AFFILIANT, 3. REVIEW, and 4. COMPLETE. The main content area is titled 'Application Summary' and includes the instruction 'Verify the loan application details.' There are two expandable sections: 'Loan Information' and 'Applicant Information'. The 'Loan Information' section is expanded and shows the following details:

Loan Type: Unsecured Personal Loan	Amount Requested: \$15,000.00
Length of Loan: 36 months	Payment Method: Monthly Billing
Purpose of Loan: Personal Investment	

Below the loan details is a 'Comments' section with a text input field labeled 'Loan Application Comments...'. At the bottom of the form, there are two red buttons: 'Previous' and 'Submit'. A blue circle highlights the 'Submit' button, and a blue arrow points from the text box on the left to this button. The footer of the page contains 'Privacy' and 'Security' links.

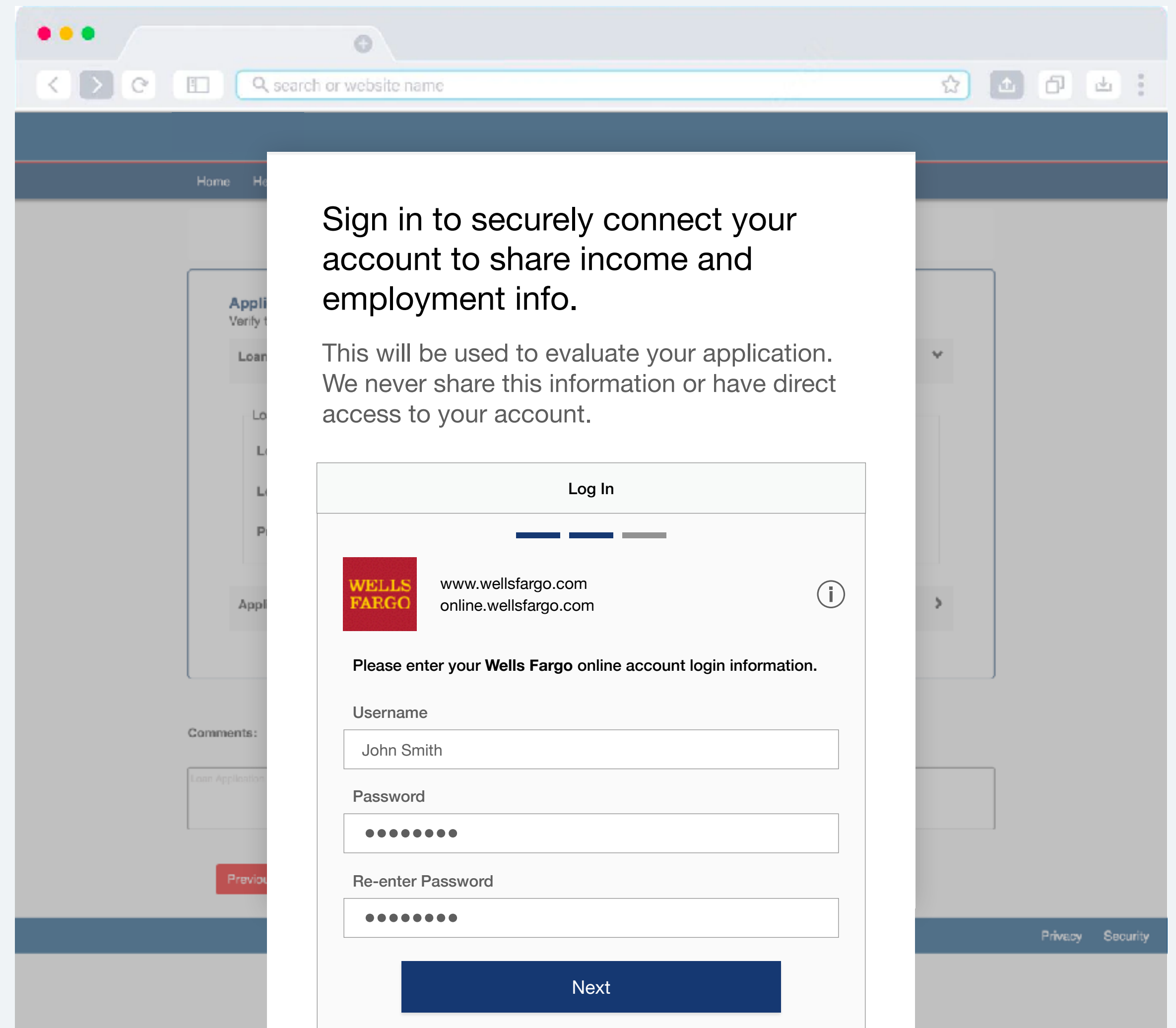
Example 2

Verified bank balances via account data.



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Verified bank balances via account data.

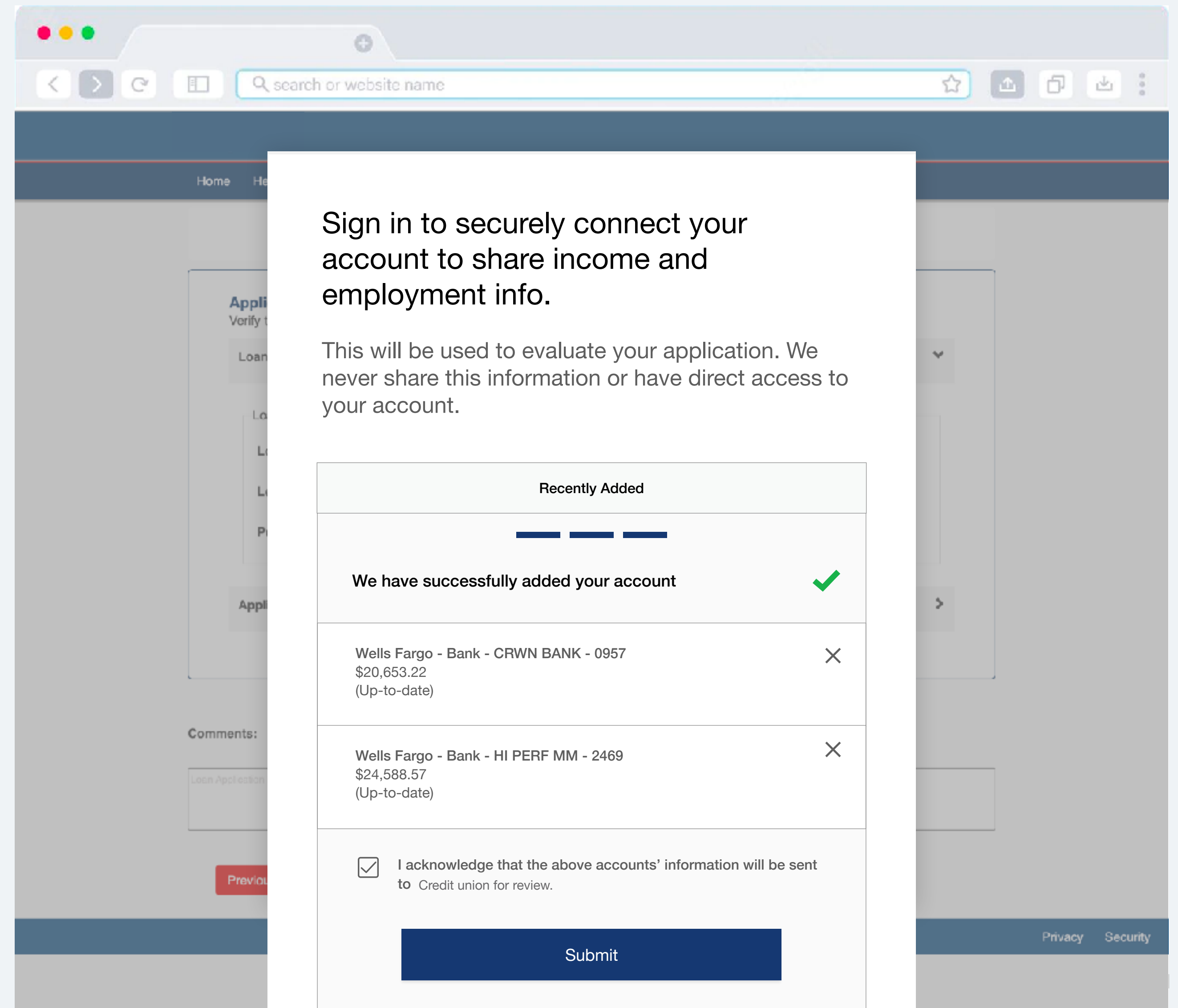


Example 2

Verified bank balances via account data.

Average bank balance (or a fraction of it) is considered a proxy for loan collateral:

- **AVERAGE_BANK_BALANCE** - Average bank balance for all accounts over the last 90 days.

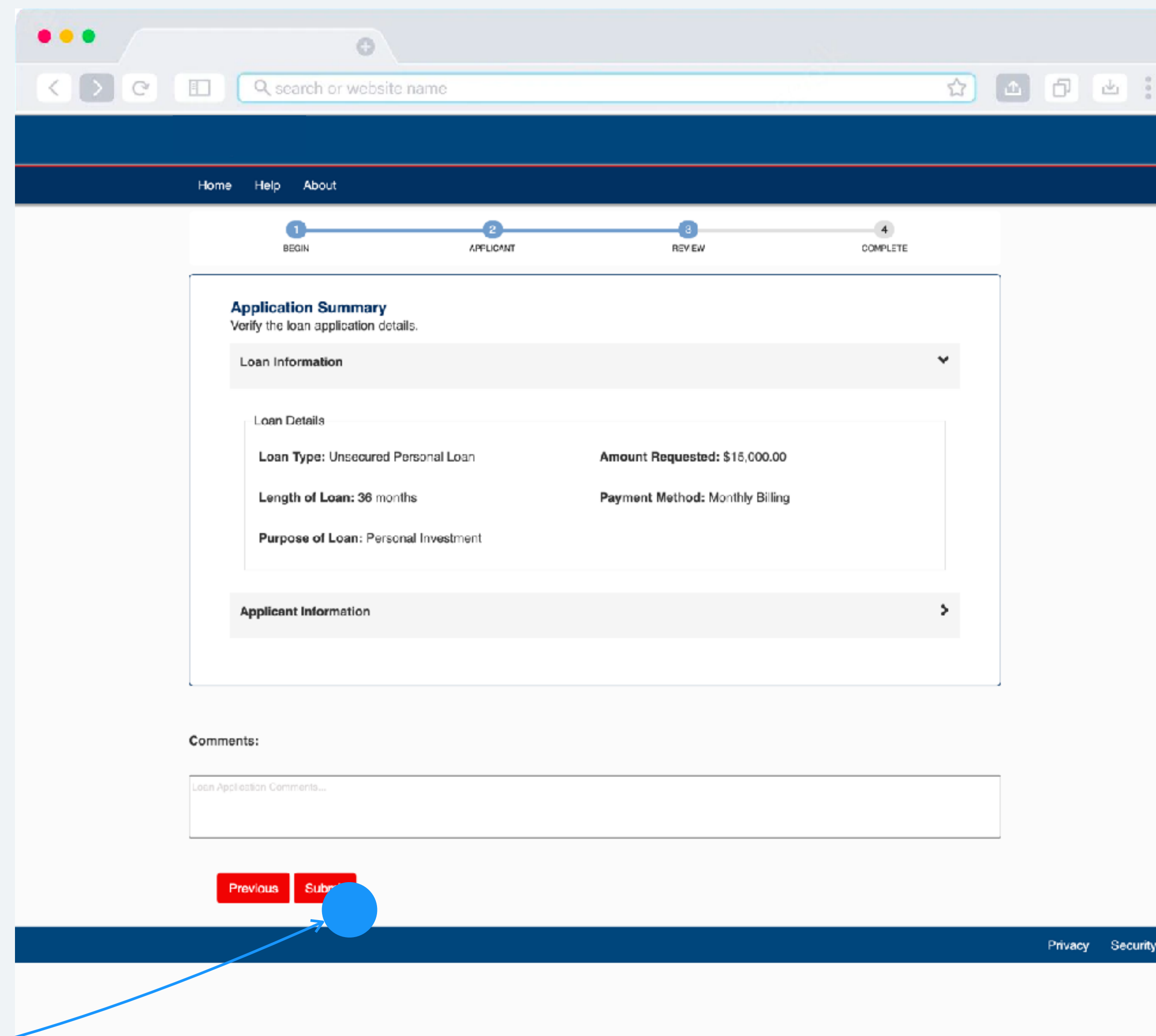


Example 3.

Credit union calls Conductiv after hard credit pull on loan application.

Increase conversion rates using alternative data!

Applicant clicks “Submit” and First Financial’s LOS makes a call to the Conductiv API.

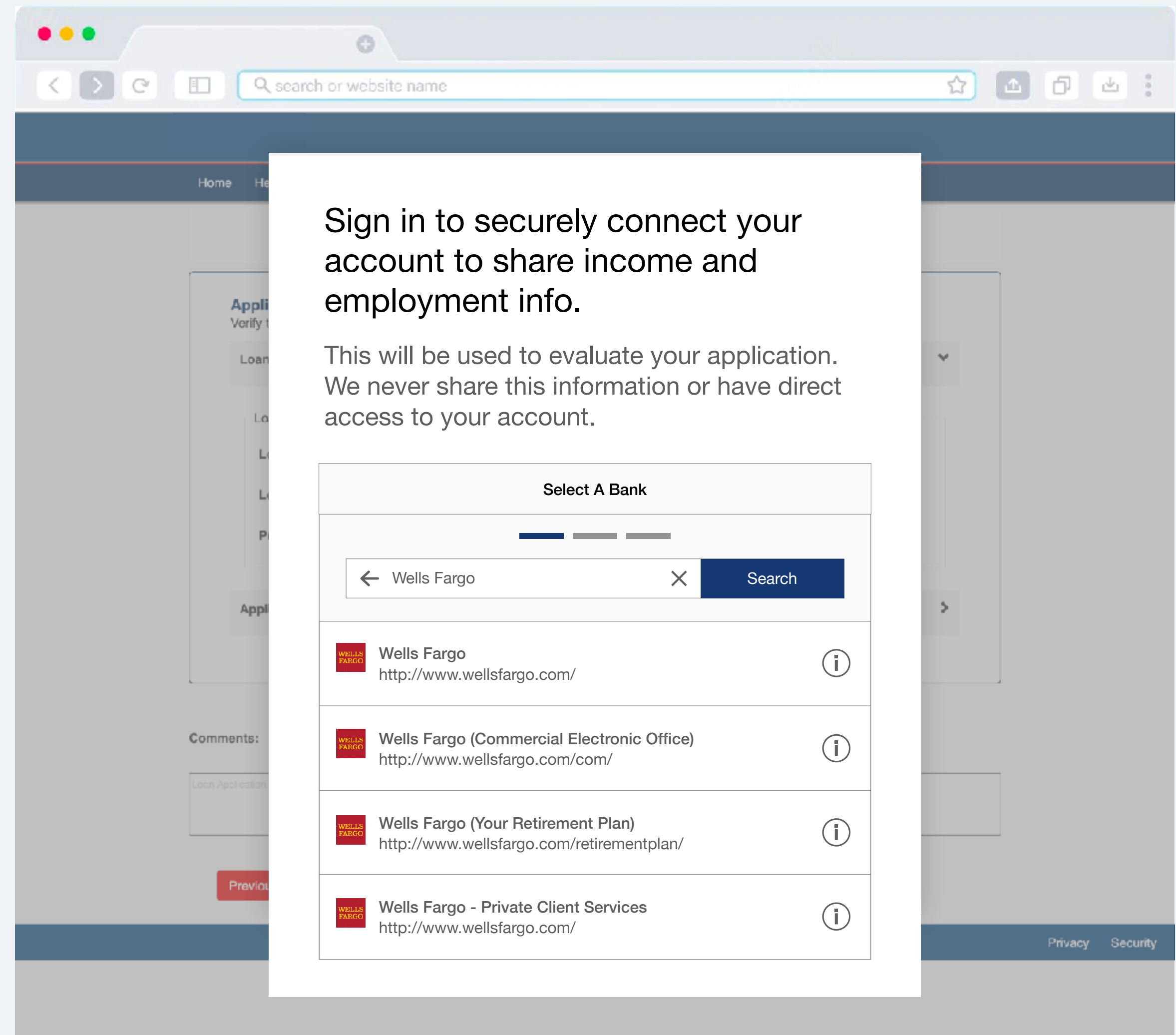


The screenshot shows a web browser window displaying a loan application form. At the top, there is a navigation bar with 'Home', 'Help', and 'About' links. Below this is a progress indicator with four steps: 1. BEGIN, 2. AFFILIANT, 3. REVIEW, and 4. COMPLETE. The main content area is titled 'Application Summary' and includes a sub-section 'Loan Information' with a dropdown arrow. The 'Loan Details' section contains the following information: Loan Type: Unsecured Personal Loan, Amount Requested: \$15,000.00, Length of Loan: 36 months, Payment Method: Monthly Billing, and Purpose of Loan: Personal Investment. Below this is an 'Applicant Information' section with a right-pointing arrow. At the bottom of the form, there is a 'Comments' section with a text input field labeled 'Loan Application Comments...'. Two red buttons, 'Previous' and 'Submit', are located at the bottom of the form. A blue circle highlights the 'Submit' button, and a blue arrow points from this circle to the text box on the left.

Example 3

Verified cash flows via account data.

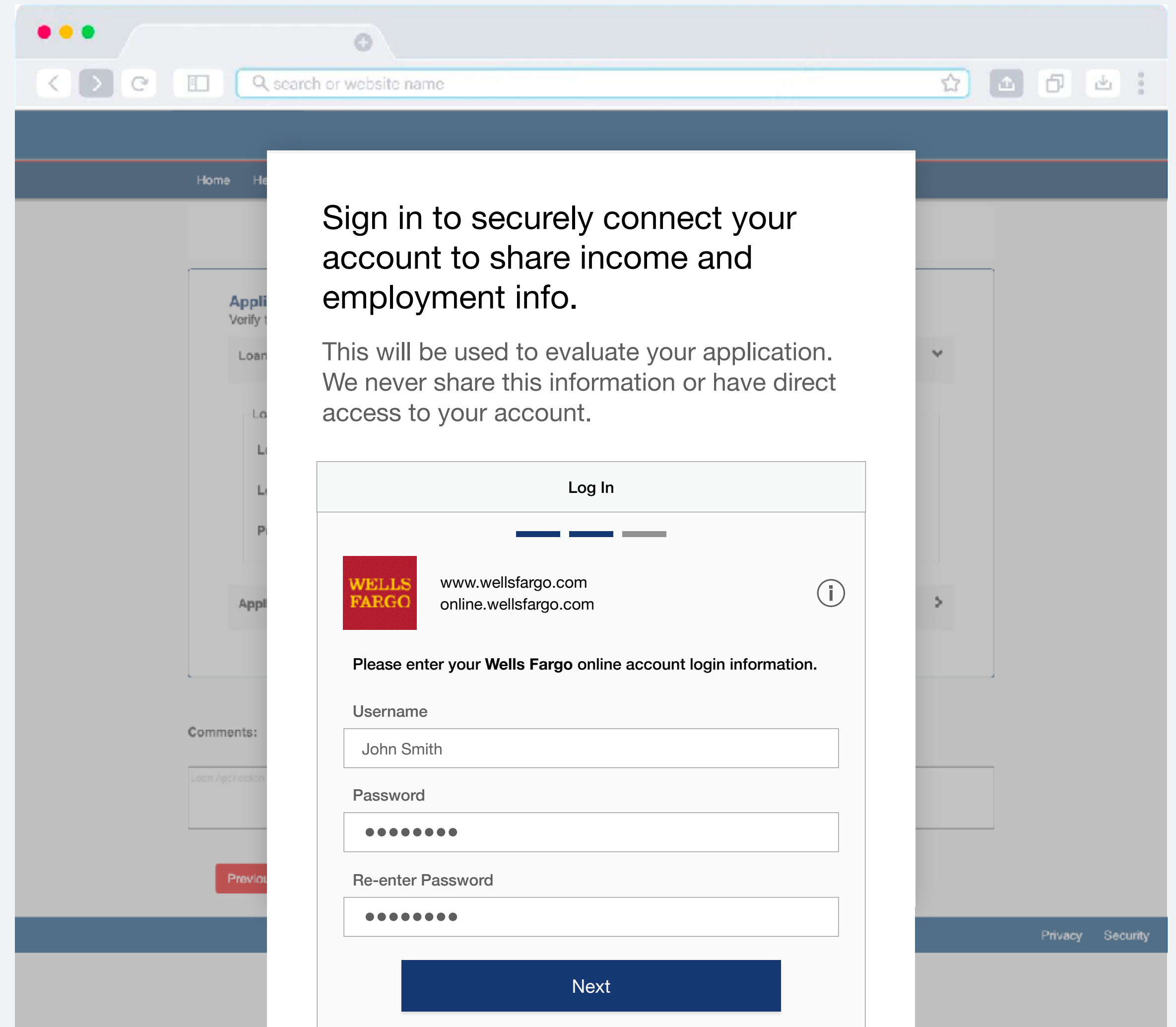
Applicants share bank account data including cash flows and spending by category.



Example 3

Verified cash flows via account data.

Applicants share bank account data including cash flows and spending by category.

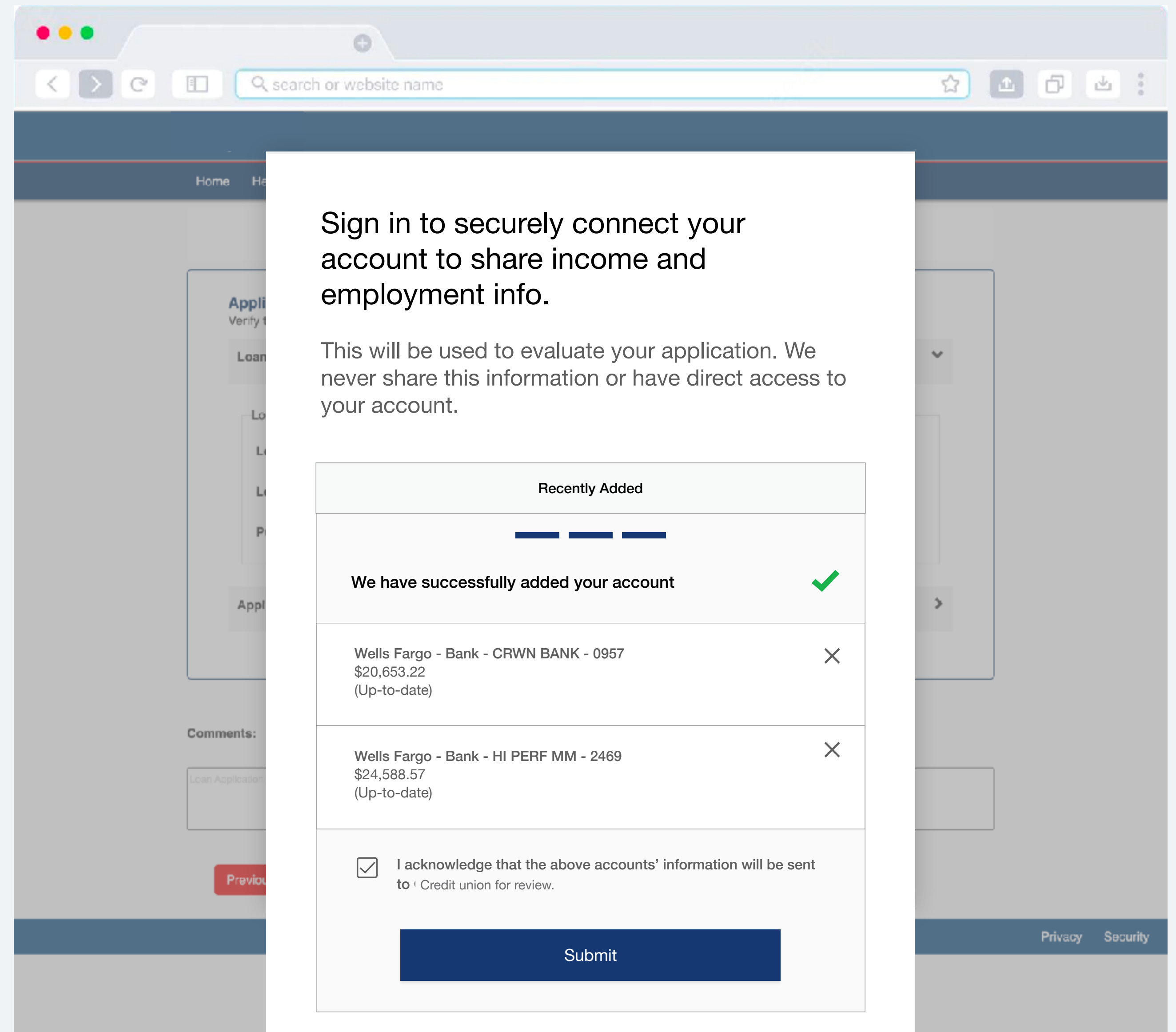


Example 3

Verified cash flows via account data.

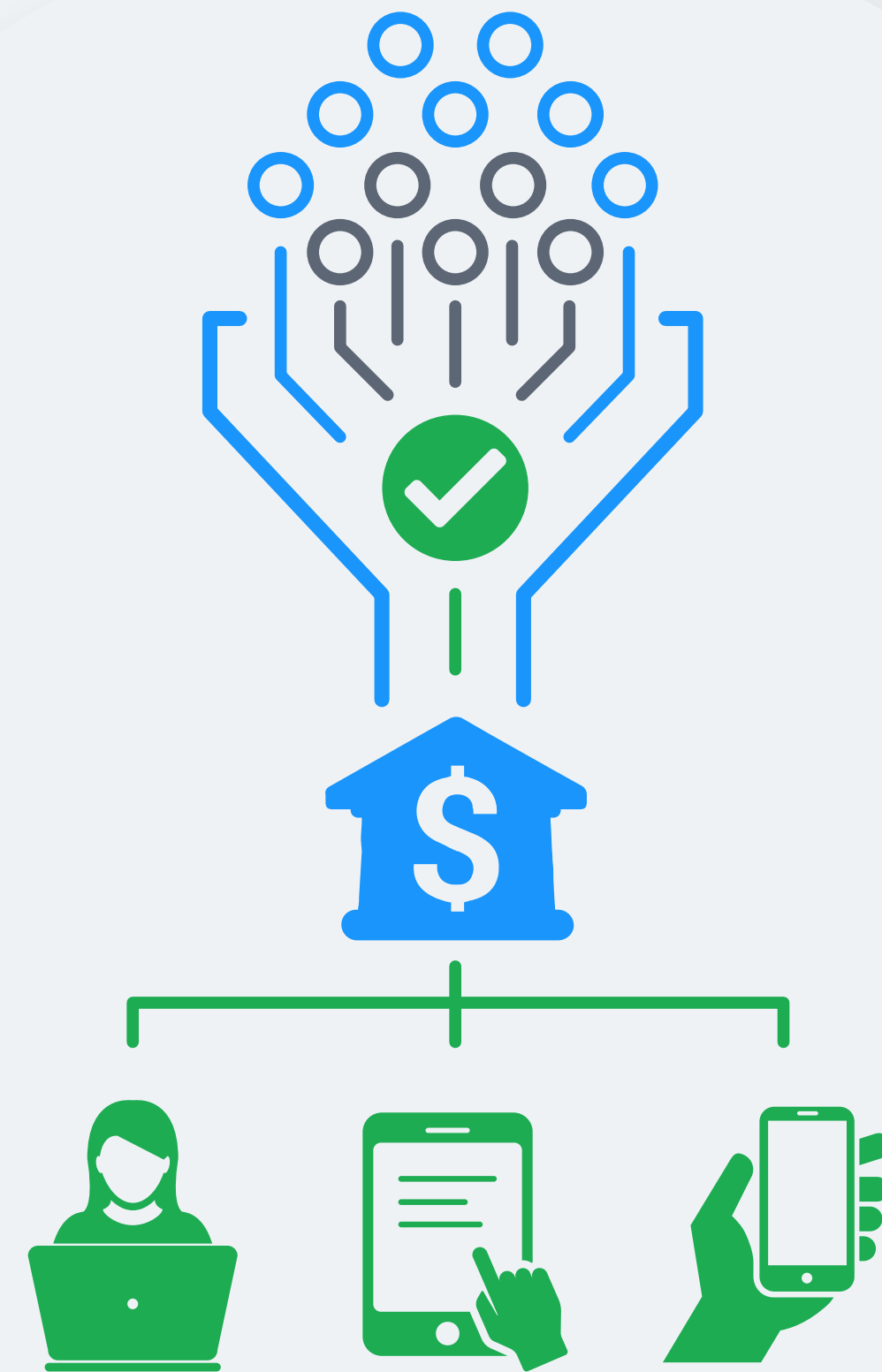
Category based spending is used to create ratios that are used in decisioning:

- **DISPOSABLE_INCOME** - (Net Income - Household Expenses - Secured Debt - Unsecured Debt)
- **LIVING_EXPENSES** - (Grocery + household + clothing + medical, insurance + personal care + childcare, education + entertainment + more)
- **HOUSING_EXPENSES** - (homeowners insurance + renters insurance + utilities, telephone + cable + more)



About Conductiv.

Conductiv gets missing data needed to **open more deposit accounts** and **continuously improve lending accuracy, quality and equity.**



Results: Driving better, faster, and fairer lending (and more).

Increased efficiencies, better member experience, easy implementation.

Increase
Approval rates



47%

Increase
Income verification



39%

Increase
Completion rates



25%

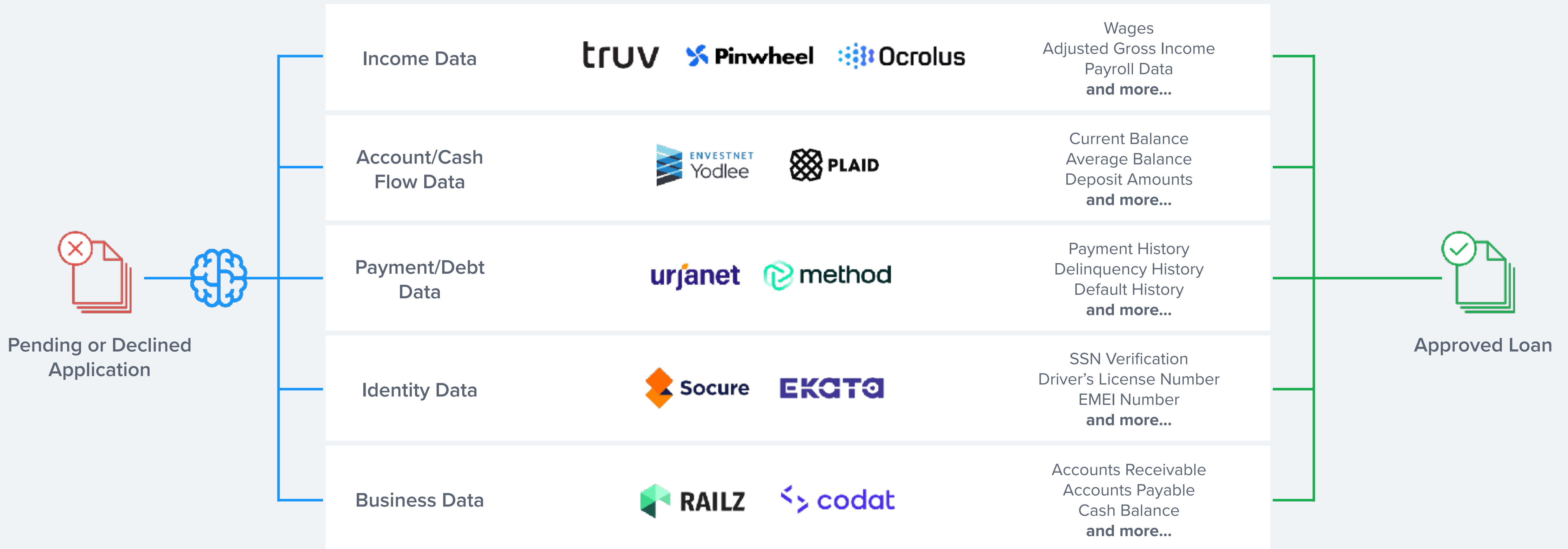
Low, no-IT
Implementation time



4H

How it works.

Conductiv gathers and cross checks 100's of missing and new data points, so credit unions ***can recover lost deposits and loans from competitors.***




Differentiator: Trusted and easy.


Conductiv is a TruStage company, a Filene Research Institute incubator partner...



...and is integrated with MeridianLink Portal and ML Consumer for a **< 4 hour setup with no IT resources needed.**









Conductiv works on all types of products (loans and deposits).


Lender ABC



Products

[Create New Product](#)

Paul Smith
Super Admin
paul@lender.com

-  Dashboard
-  Implementation
-  Products
-  Tests
-  Portal
-  Analytics
-  Command Center
-  Settings

ABC's Products

Click on a product to see some possible actions  Export

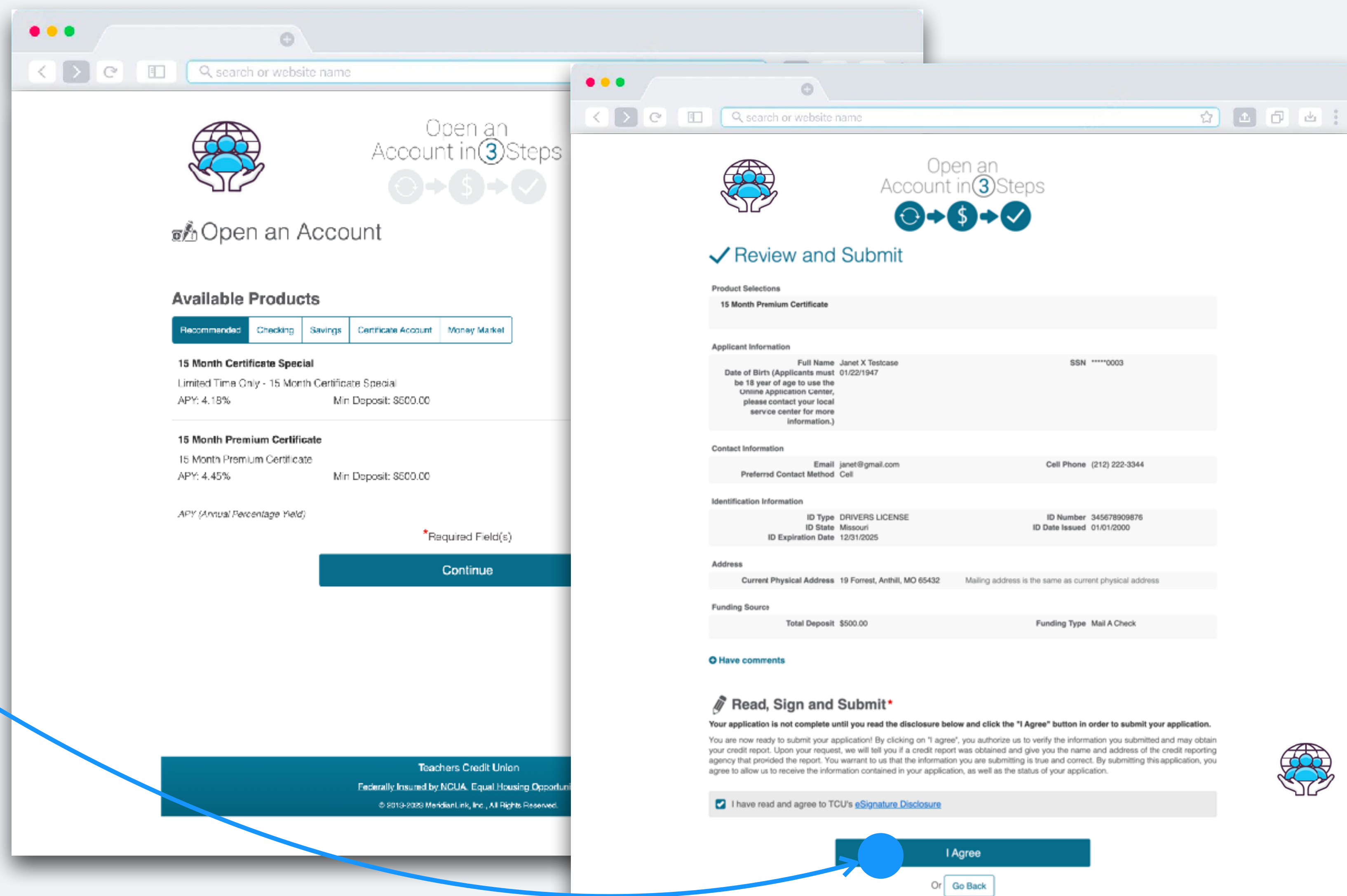
Product	CustomID	Type	Description	Category	Pend	Marginal Dec
3.05% CD	D1	Other Bank Pr...	High dollar deposit amount CD		10%	
4.99% Certificate of Deposit	D2	Other Bank Pr...	Low dollar deposit amount CD		10%	
Auto Loan	AL	Loan	Vehicle loans for consumers.	Auto Loan	25%	
Business Credit Card	BC	Credit Card	Flexible card for small business.	Business Card	21%	
Business Loan	BL	Loan	Loan for small business.		25%	
HELOC	HL	Loan	Home equity line of credit for consu...	HELOC	23%	
Personal Credit Card	CCP	Credit Card	Rewards card for consumers.	Personal CCard	25%	
Personal Loan	PL	Loan	Loan for debt consolidation or other...	Low FICO Loan	35%	

Credit union calls Conductiv at deposit account submission.

Increase conversion rates using alternative data!

1. Applicant clicks “submit” and CU calls ChexSystems & EWS.

2. If there is a KYC or other issue, CU calls the Conductiv API



The image displays two sequential browser screenshots of a credit union's account opening process. The left screenshot shows the 'Open an Account' page with a 'Continue' button. The right screenshot shows the 'Review and Submit' page with an 'I Agree' button. A blue arrow points from the 'Continue' button in the first screenshot to the 'I Agree' button in the second screenshot.

Available Products

Recommended	Checking	Savings	Certificate Account	Money Market
15 Month Certificate Special				
Limited Time Only - 15 Month Certificate Special				
APY: 4.18%	Min Deposit: \$500.00			
15 Month Premium Certificate				
15 Month Premium Certificate				
APY: 4.45%	Min Deposit: \$500.00			
APY (Annual Percentage Yield)				
*Required Field(s)				
Continue				

Review and Submit

Product Selections

15 Month Premium Certificate

Applicant Information

Full Name Janet X Testcase SSN ****0003
 Date of Birth (Applicants must be 18 year of age to use the Online Application Center, please contact your local service center for more information.) 01/22/1947

Contact Information

Email janet@gmail.com Cell Phone (212) 222-3344
 Preferred Contact Method Cell

Identification Information

ID Type DRIVERS LICENSE ID Number 345678909876
 ID State Missouri ID Date issued 01/01/2000
 ID Expiration Date 12/31/2025

Address

Current Physical Address 19 Forrest, Anthill, MO 65432 Mailing address is the same as current physical address

Funding Source

Total Deposit \$500.00 Funding Type Mail A Check

Have comments

Read, Sign and Submit*

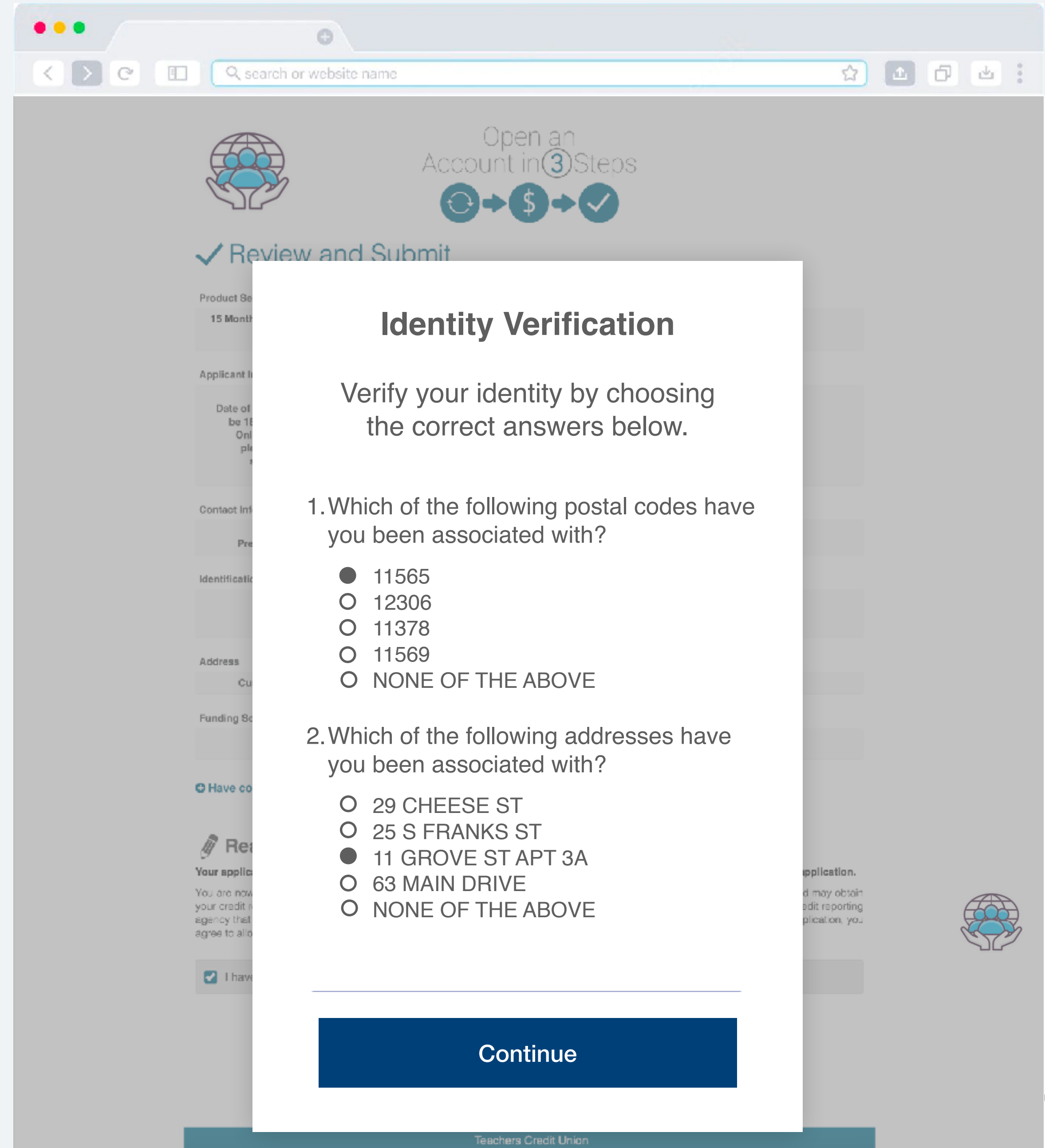
Your application is not complete until you read the disclosure below and click the "I Agree" button in order to submit your application. You are now ready to submit your application! By clicking on "I agree", you authorize us to verify the information you submitted and may obtain your credit report. Upon your request, we will tell you if a credit report was obtained and give you the name and address of the credit reporting agency that provided the report. You warrant to us that the information you are submitting is true and correct. By submitting this application, you agree to allow us to receive the information contained in your application, as well as the status of your application.

I have read and agree to TCU's [eSignature Disclosure](#)

I Agree Or **Go Back**



Verify identity.



The screenshot shows a web browser window with a search bar and navigation icons. The background page is a banking application with a header that says "Open an Account in 3 Steps" and a progress indicator showing three steps. The current step is "Review and Submit". A pop-up window titled "Identity Verification" is overlaid on the page. The pop-up contains the following text and options:

Identity Verification

Verify your identity by choosing the correct answers below.

1. Which of the following postal codes have you been associated with?

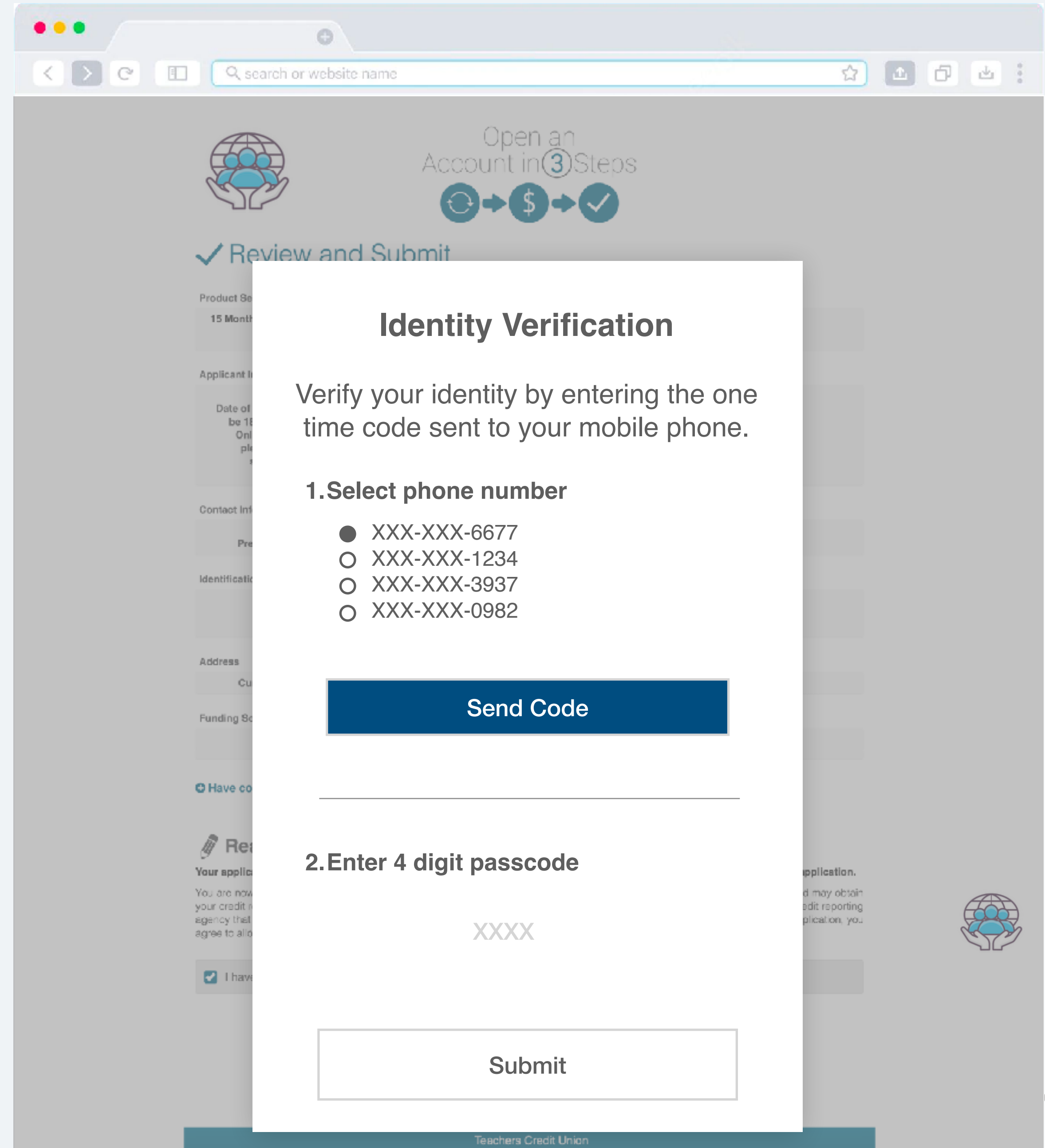
- 11565
- 12306
- 11378
- 11569
- NONE OF THE ABOVE

2. Which of the following addresses have you been associated with?

- 29 CHEESE ST
- 25 S FRANKS ST
- 11 GROVE ST APT 3A
- 63 MAIN DRIVE
- NONE OF THE ABOVE

At the bottom of the pop-up is a blue button labeled "Continue".

Verify identity.



The screenshot shows a web browser window with a search bar and navigation icons. The background is a greyed-out banking application page with the heading "Open an Account in 3 Steps" and a progress indicator showing three steps. A modal window titled "Identity Verification" is overlaid on the page. The modal contains the following text and elements:

Identity Verification

Verify your identity by entering the one time code sent to your mobile phone.

1. Select phone number

- XXX-XXX-6677
- XXX-XXX-1234
- XXX-XXX-3937
- XXX-XXX-0982

Send Code

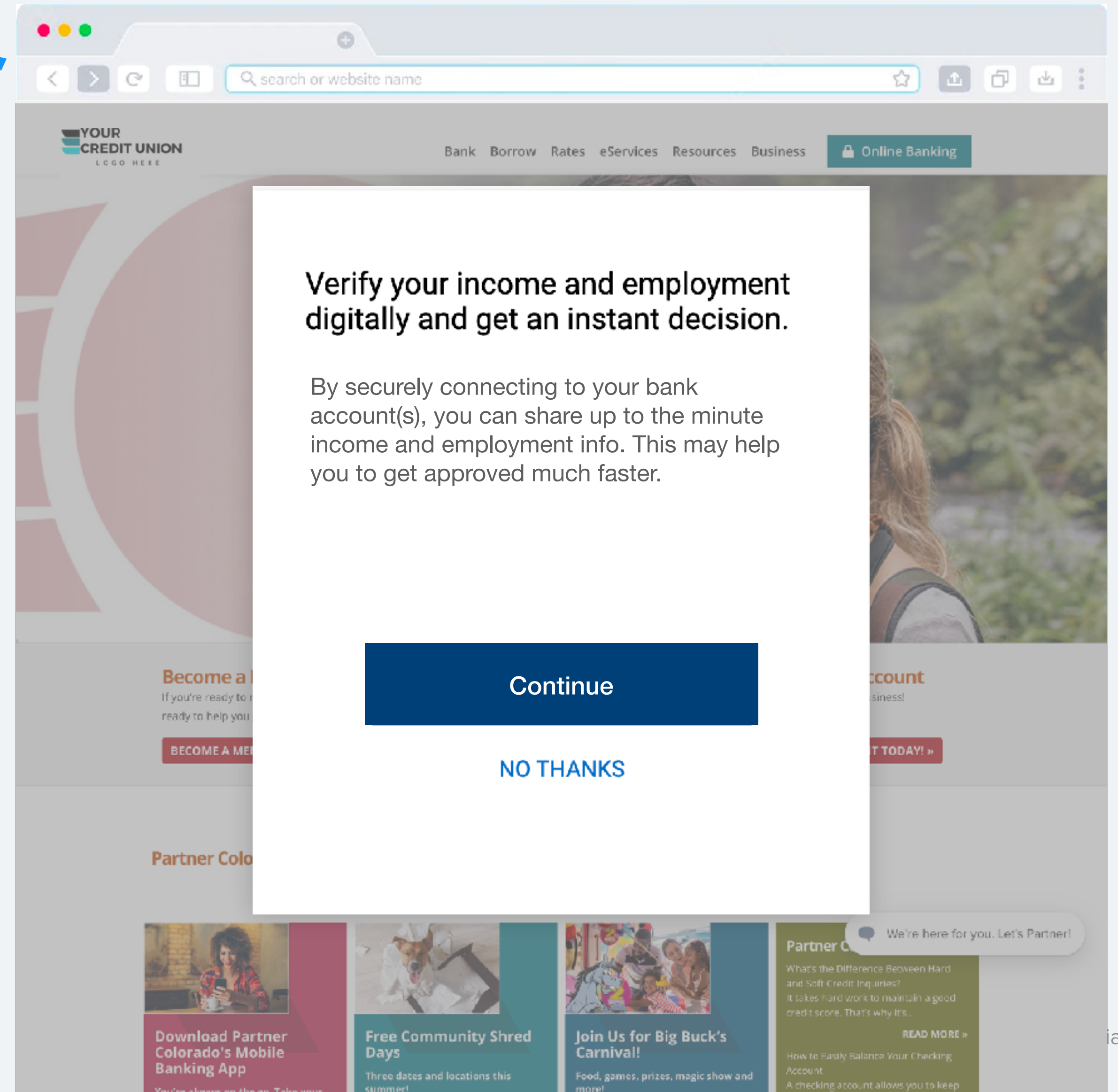
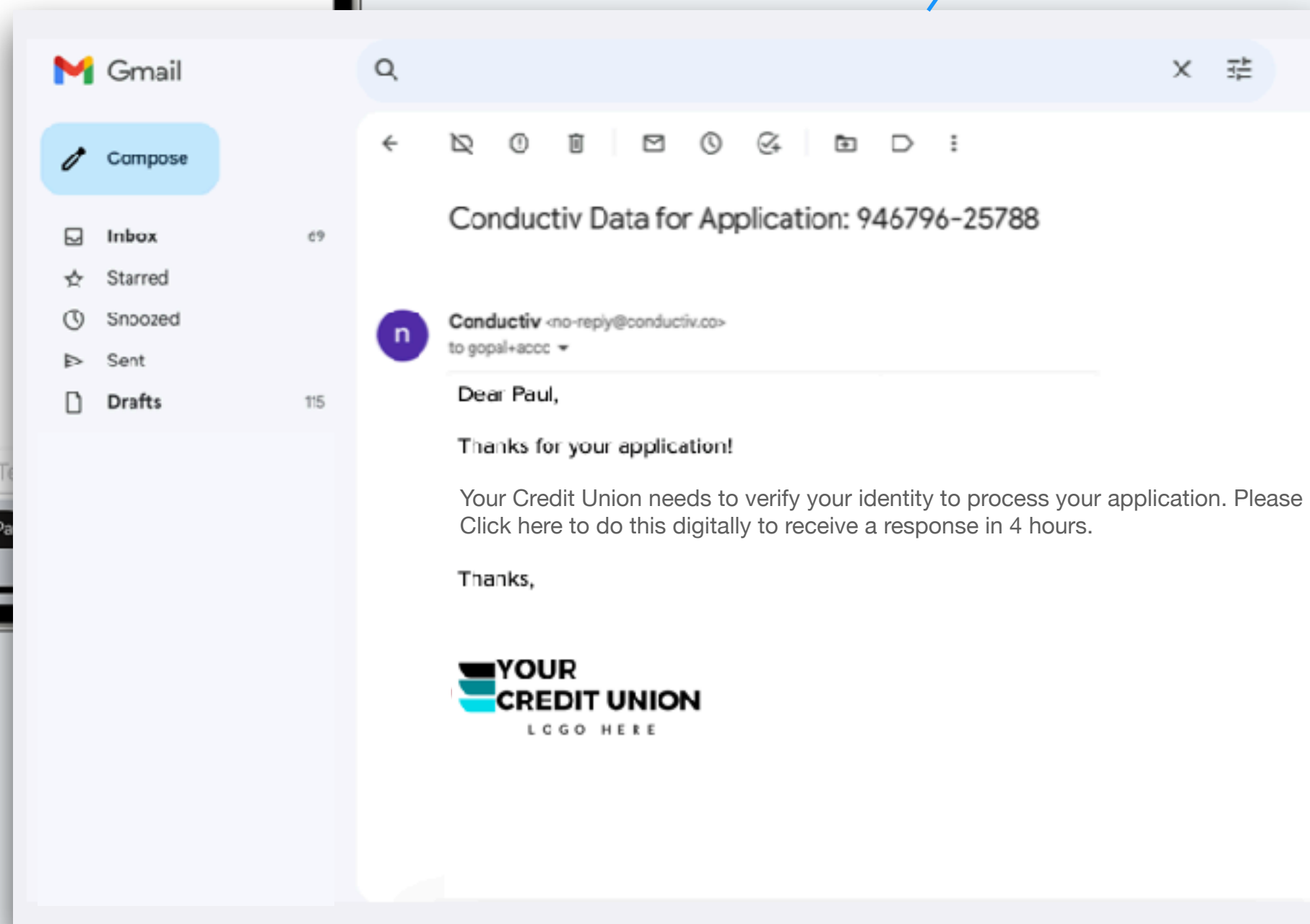
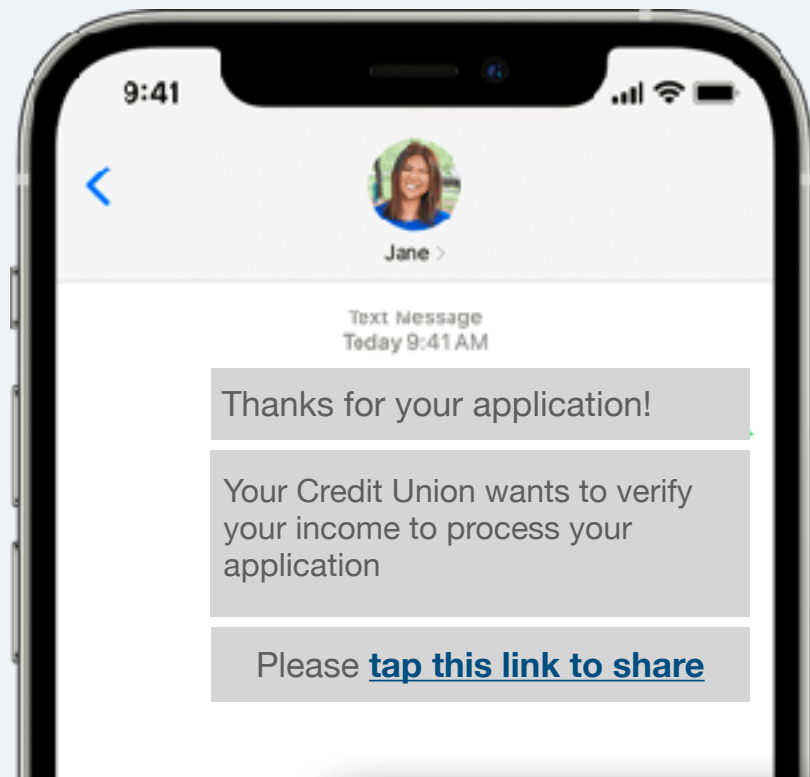
2. Enter 4 digit passcode

XXXX

Submit

Teachers Credit Union

Including email and SMS channels.



Summary.

1. Opportunity- fill data gaps to lend better, faster, and more fairly
2. Permissioned Data - is what fills these gaps
3. Use cases - lending, servicing, marketing, and portfolio management
4. Examples - credit unions have total control over what data to use

Thank You!

Welcome to Conductiv.

Less Work. More Loans.

Gopal Swamy
CEO

202-222-8822
gopal@conductiv.co
[linkedin.com/in/gopalnswamy/](https://www.linkedin.com/in/gopalnswamy/)

