

Banks embrace automation, white-label options ahead of PPP relaunch

“It’s going to be the coming-out party for commercial digital loan applications,” Numerated CEO Dan O’Malley said of the \$284 billion round of Paycheck Protection Program funding.

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Banks are turning to automation and white-label options ahead of the [Monday relaunch](#) of the Small Business Administration’s Paycheck Protection Program (PPP) in an attempt to avoid the [delays and hassles](#) that plagued previous versions of the loan platform, industry experts said.

Lenders are positioning themselves to ensure the process is quick, said Dan O’Malley, CEO of digital lending platform Numerated.

“We see banks wanting to use more automation for this round to keep more of the burden off their people,” said O’Malley, whose Boston-based fintech processed more than 250,000 loans worth

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In an effort to expedite the application process, O'Malley said 90% of its lenders have said they plan to push their borrowers to use Numerated's self-service feature.

"It's going to be the coming-out party for commercial digital loan applications," he said. "In many ways, this is like so many things in COVID, just pushing banks into the future. If you don't have a high-quality self-service experience, the work is so much greater."

Lenders have also requested that Numerated automate with data wherever possible ahead of the program's launch, O'Malley said.

The fintech has been pre-filling applications with information from existing borrowers and their lenders, as well as gathering data for banks that are new to the program in the hopes of avoiding some of the obstacles that have slowed the program in the past.

During the program's initial \$350 billion launch in early April, as well as its \$320 billion infusion weeks later, lenders had to contend with technical glitches and overwhelming demand in the opening hours of each iteration.

"We're trying any way possible to stop this from being as much work as the first round," O'Malley said. "By our calculation, without some level of customer self-service and automation, it would probably be 15 hours to do a PPP loan. On our platform, we've gotten it down to an hour to an hour-and-a-half because of all this automation that our banks have asked us to build."

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because of a tighter vetting process from the SBA.

Existing borrowers with less than 300 employees are eligible for a second loan of up to \$2 million if they can show revenue decline of at least 25% in all or part of 2020 compared with all or part of 2019.

“The [SBA] is telegraphing that the lending community is not going to be able to smash through applicants and get approval instantaneously like they did in the first draw,” Hurn said. “There’s probably going to be a day-or-two delay on a lot of these approvals, because they’re trying to vet these borrowers more carefully, perhaps, than the first time around.”

White-label services

Hurn said some banks that don’t want to participate directly in the next PPP round are choosing to use the nonbank SBA lender’s white-label service instead.

“We will be somebody that lenders can refer their clients to so we can process them,” said Hurn, adding the Lake Mary, Florida-based company can create a custom link for banks to put on their website to direct borrowers to his company’s portal.

“That’s probably appealing for a lot of larger, even midsized depository institutions who may not want the PPP borrower to go

according to American Banker.

“A lot of banks were concerned about the reputational risk of not participating in the new round,” Sam Sidhu, the Wyomissing, Pennsylvania-based bank’s chief operating officer said. “We’re offering them an elegant solution.”

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