

New Abrigo Small Business Lending gives financial institutions automation and AI tech to grow their portfolios and communities

Community banks and credit unions play an outsized role in providing capital to small businesses and their communities, creating an imperative for accelerated, efficient lending at scale

AUSTIN, Texas – June 4, 2024 – Abrigo, a leading provider of commercial lending software and services for U.S. financial institutions, announced today at its annual ThinkBIG national conference the launch of [Abrigo Small Business Lending](#), a commercial loan origination solution optimized for small business lending. The newly enhanced product will enable financial institutions to accelerate and expand small business lending, empowering small businesses to grow and their communities to thrive. Importantly, it also ensures compliance with 1071 small business data collection requirements for lenders, which are moving forward after the U.S. Supreme Court's [recent ruling](#).

Abrigo Small Business Lending uses innovative automation technology and explainable AI to ensure banks and credit unions can more quickly scale their small business loan portfolios and get funds to those small businesses needing them most. The new automated loan processing experience allows for easy lender intervention as needed and offers a transparent, AI-powered loan scoring system that looks beyond traditional financial metrics, as well as an early warning system for emerging risks in the loan portfolio. Combined, these features ensure faster processing and stronger risk management.

Answering a market need

There are over 33 million small businesses in the U.S. [employing](#) nearly 62 million people, but only [42%](#) of those small businesses have their financing needs met, and [one-fifth](#) of them fail within their first year. Small businesses rely on community banks; applicants to small banks [reported](#) higher rates of loan approvals and satisfaction levels than those who worked with larger banks and other lenders.

What's more, community banks are the only physical banking presence in [one in three](#) U.S. counties. Yet only half of community banks have automated their commercial loan origination systems, and [even fewer](#) have deployed automation for small businesses. Market dynamics and the [math behind small business lending](#) are complicated and carry risk.

“Abrigo recognizes the vital role that small businesses play in fostering economic growth and community development,” said Jay Blandford, CEO of Abrigo. “Our goal is to have a positive impact in communities through our Small Business Lending solution, streamlining the loan origination process to expedite and expand the lending capabilities of community financial institutions. This launch underscores our unwavering commitment to helping financial institutions and their communities thrive.”

“We are excited about Abrigo’s Small Business Lending solution because it marks a significant step towards full automation. We look forward to the efficiencies full automation will bring, allowing us to streamline processes, increase productivity, and ultimately enhance our overall experience,” said Dan Fowler, credit administrator at Capital City Bank, an Abrigo client.

Benefits and features of Abrigo Small Business Lending

Abrigo has over 1,000 financial institutions using their loan origination software for originating and analyzing loans today, and the new capabilities will make smaller dollar SMB loans more scalable. Abrigo's enhanced solution offers easily configurable, automated loan processing, speeding decisioning and closing processes while ensuring the human touch when needed. Small businesses can get the support they require through a modern lending experience easily completed online or in a branch. Features and benefits are comprehensive:

- AI-powered transparent loan scoring evaluates projected cash flows and a range of loan and industry data to provide a comprehensive assessment of all applicants. This can help financial institutions approve businesses that may have been overlooked by conventional systems.
- Portfolio monitoring delivers an automated early warning system for efficiently identifying emerging risks so financial institutions can proactively manage a higher volume loan portfolio.
- Compliance with regulations is ensured through audited, repeatable processes for [Section 1071](#) reporting that will be used to monitor fair lending, an important feature per SCOTUS's recent affirmation of the CFPB's funding mechanism.
- No-code technology experience facilitates automated workflows and decisioning, allowing for easy configuration without the need for advanced technical skills.
- Increased operational efficiency throughout the life of the loan, with an ecosystem of partners for credit report pulls, boarding to the core, e-signatures, and more.

By leveraging Abrigo's automation and AI technology, financial institutions can free up their time to build stronger relationships with small businesses in their community and deliver the funds those businesses need — when they need them most.

About Abrigo

Abrigo is a leading provider of risk management, financial crime prevention, and lending software and services that help more than 2,400 financial institutions manage risk and drive growth in a rapidly changing world. We deliver transformational technology, product innovation, world-class support, and unparalleled expertise so our customers can face complex challenges and make big things happen.

Media Contact

Kevin Martin: kevin@bospar.com