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The Ultimate Guide to Customer Data Intake and Signature Collection for Marketplace Lenders

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As a marketplace lender, customer data intake and signature collection are two of the most important aspects of your business. Without accurate customer data, you won't be able to properly assess risk or make informed lending decisions. And without signatures, you won't be able to legally enforce any contracts.

In this guide, we'll discuss everything you need to know about customer data intake and signature collection for marketplace lenders. We'll cover the different types of data you'll need to collect, the best ways to collect it, and how to keep it secure.

By the end of this guide, you'll have a better understanding of how to collect the customer data you need to run your business effectively. So let's get started!

Introduction

Marketplace lending is a growing and highly competitive industry. The evolution of credit scoring, the impact of changing interest rates, potential liquidity risk, increasing mortgage and auto loans originated by online marketplace lenders, potential cybersecurity threats, and compliance with anti-money laundering requirements are some of the challenges faced by marketplace lenders today.

As a marketplace lender, you are in the business of lending money to people who may not have access to traditional banking products. This means that you are taking on a higher degree of risk than banks or other financial institutions. In order to offset this risk, it is important for you to have a robust customer data intake and signature collection process in place.

Key takeaways:

✔ Customer data intake is crucial for marketplace lenders, and the way you collect customer data will impact your ability to accurately assess risk and make informed lending decisions

✔ Manual data collection is often error-prone, so using an automated solution helps to streamline the process

✔ Digital customer data intake can help to improve customer satisfaction, reduce customer churn, and increase the customer lifetime value

✔ Digitizing data intake and removing manual processes can help to improve customer data quality, accuracy, and completeness

Now that we've covered the basics, let's take a more in-depth look at customer data intake and signature collection for marketplace lenders.

What is customer data intake?

Customer data intake is the process of collecting customer information in order to assess credit-worthiness and make lending decisions. This can include everything from their income and employment history to their credit score and debts.

The goal of customer data intake is to get a complete picture of your customer's financial situation so that you can make an informed lending decision, and to collect all supportive documentation, information, and signatures required for regulatory compliance.

For marketplace lenders, customer data intake is a critical part of the business. Without accurate customer data, you won't be able to properly assess risk or make informed lending decisions.

Ensuring sound borrower experience & efficient back-end operations is critical to the success of any marketplace lender, and the way you handle customer data intake and signature collection plays a vital role in this.

Common data points

The type of data you collect will depend on the type of loans you offer and the type of customers you serve. However, there are some common data points that all marketplace lenders should collect, including:

- Customer contact information: name, address, phone number, email address
- Credit history: credit score, outstanding debts, payment history
- Employment history: current employer, job title, salary, employment history

The type of customer data that marketplace lenders collect will vary depending on the type of loan being offered. For example, personal loans will require different information than business loans.

Common customer data fields for all loan types:

- Name
- Contact information (phone number, email address)
- Date of birth
- Social Security number
- Driver's license number
- Employment information (employer name, job title, salary, length of employment)
- Income (annual, monthly, weekly)
- Expenses (mortgage/rent, car payment, credit card payments, other loan payments)
- Assets (savings account, checking account, investments)
- Liabilities (debts, loans)
- Bank account information (routing number, account number)
- Signature
- Attachments (copy of ID, drivers license and other supporting documents)

Common customer data fields for specific loan types:

- Personal loans: credit score, address, marital status, number of dependents
- Business loans: business name, business address, business phone number, EIN, business credit score
- Student loans: school name, degree type, enrollment status

Why is customer data intake important?

Competition in the marketplace lending industry is fierce, and customer data intake is one of the ways that lenders can differentiate themselves.

Noone likes filling in paperwork, but this process is necessary in order to get a loan. As a marketplace lender, you have the opportunity to make this process as easy and painless as possible for your customers.

By collecting accurate and comprehensive customer data, marketplace lenders can better assess risk and offer loans that are tailored to the needs of their customers. Without accurate customer data, lenders would be operating in the dark, which could lead to higher default rates and losses for the business.

An efficient customer data intake process will not only improve customer satisfaction, but it will also reduce operational costs and help you to speed up the lending decision-making process.

Common customer data collection methods

Marketplace lenders typically collect customer data in one of two ways:

Directly from the customer: The customer provides their information directly to the marketplace lender, either through an online form or over the phone.

Through a third-party provider: The customer provides their information to a third-party provider, who then passes it on to the marketplace lender.

Directly from the customer

There are a few different ways that marketplace lenders can collect customer data.

While there are a few different ways to collect customer data, the most important thing is to make sure that the information being collected is accurate and up-to-date while making the process as frictionless as possible for the customer.

- **Customer intake forms:** A common method of data collection is through customer intake forms, which are typically used for in-person or over-the-phone applications. These forms can be filled out either electronically or by hand, and they usually require the customer's signature. Forms are often in PDF format that the customer can email or fax back to the lender. Many marketplace lenders allow customers to apply for loans online via online forms.
- **Online portals:** The most common collection method is through online applications, which allow customers to input their information directly into the lender's system.
- **Interactive voice response (IVR):** Customers can input their data through an automated phone system.
- **Call centers:** Customers can speak to a customer service representative who will input their data into the system
- **Interactive digital journeys:** A digital data intake journey is a guided process that takes the customer through a series of steps, such as inputting their data, uploading documents, and signing paperwork online. Digital journeys also have the ability to dynamically adapt next steps based on customer input, which further improves the customer experience.

Through a third-party provider

Third-party data providers are common among larger marketplace lenders who have the resources required for these partnerships.

- **Third-party data providers:** These companies collect customer data from a variety of sources, such as credit bureaus, public records, and customer surveys. This data is then sold to marketplace lenders.
- **Lead generation companies:** These companies generate leads for marketplace lenders by collecting customer information, such as name, contact information, and income. The customer is then contacted by the lead generation company and offered a loan.
- **Employment verification companies:** These companies verify employment information for marketplace lenders. The customer's employer is contacted and asked to confirm employment details, such as job title, salary, and length of employment.
- **Credit reporting agencies:** These agencies collect customer credit information, which is then sold to marketplace lenders. The three major credit reporting agencies in the United States are Experian, Equifax, and TransUnion.

What are some common challenges with customer data intake?

Data hygiene
One of the biggest challenges with customer data intake is maintaining accurate and up-to-date customer information. It is not enough to simply collect customer data. This is because customer information can change over time, and it's important to keep track of those changes. Marketplace lenders need to ensure that the data is regularly updated and is always accurate. This can be done by implementing customer data intake processes and procedures, such as customer verification and data cleansing.

Security
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Errors and delays
Ensuring customer data and signatures are collected in a timely and accurate manner can be a challenge. This is because customer data intake is often a manual process, making it time consuming and easy for errors to occur.

What are some common customer data intake mistakes?

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An efficient customer data intake process will not only improve customer satisfaction, but it will also reduce operational costs and help you to speed up the lending decision-making process.

Relying on manual customer data collection processes

One of the biggest mistakes that companies make with customer data intake is relying on manual data collection methods. Oftentimes even when the initial point of collection is digitized, customer information is often manually entered into customer relationship management (CRM) systems or other customer data platforms. This can lead to errors, delays, and lost customer information.

Not personalizing workflows

Another mistake is not personalizing customer data intake workflows. One size does not fit all when it comes to customer data intake, and it's important to tailor the process to each individual customer.

This can be done by using customer segmentation to identify different customer types and then creating customer journeys that are specific to those segments. For example, a customer who is applying for a loan for the first time will have a different customer journey than a customer who is renewing a loan.

One of the advantages of digital journeys for customer data collection is that they can adapt in real-time based on customer input. This means that customer data intake workflows can be automatically personalized for each customer, which reduces errors and improves the customer experience.

Not verifying customer information

Another mistake is not verifying customer information. This is because customer data can change over time, and it's important to ensure that the data is always accurate. Marketplace lenders need to verify customer information on a regular basis, such as when a customer applies for a loan or when customer information is updated.

This can be done by implementing customer verification processes, such as customer data cleansing and customer data enrichment.

Giving customers an easy way to update their information through a self-service journey improves the quality of data and customer experience and reduces the likelihood of inaccurate data.

Failing to collect customer signatures

Another common mistake is failing to collect customer signatures. This is because customer signatures are required for many legal and compliance purposes, such as loan origination and servicing.

Often, documents are submitted without signatures in all the required places. This means that additional customer signatures must be collected after the customer has already submitted the document, leading to delays and errors.

Therefore, it is important to collect customer signatures in a timely and accurate manner. This can be done by implementing electronic signature solutions.

Siloed systems

Another mistake that companies make is failing to integrate customer data across platforms. This can lead to customer information being siloed, which makes it harder to keep track of changes and updates. This often also leads to a frustrating experience for the customer, who has to provide their information multiple times.

One of the biggest consequences of siloed systems is that companies end up not using customer data to its full potential. Customer data is a valuable asset, and it should be used to improve customer journeys, target marketing campaigns, and personalize the customer experience.

Not using customer data is a wasted opportunity. Collecting the data digitally and ensuring two-way integration with your internal systems is a must for customer data intake. This allows customer information to be easily updated and accessed across platforms, which reduces errors and improves the customer experience.

Failing to validate customer data at the point of entry

Another common mistake is failing to validate customer information at the point of entry. This can lead to customer data being incomplete or inaccurate, which can cause customer experience problems and even legal issues. Often this leads to lengthy back-and-forth communications between customers and customer service representatives who have to validate customer data manually.

> Setting up advanced field validations at the point of customer data entry is crucial to avoid these issues.

What are some best practices for customer data intake?

Now that we covered common issues, let's look at some best practices for customer data intake.

Integrate customer data across platforms: Customer data should be integrated across platforms to avoid silos and allow customer information to be easily updated and accessed, which reduces errors and improves customer experience.

Make sure you're collecting accurate and up-to-date information: Use technology to automatically verify customer information at the point of entry. This can be done by setting up advanced field validations, such as requiring a certain format for phone numbers or email addresses. This can help to ensure that customer information is accurate and up-to-date.

Make the process as frictionless as possible for the customer: This means simplifying the data collection process and offering multiple ways for customers to input their information.

Give customers the ability to correct their data: This means allowing customers to update their information if it changes and providing customer service representatives with the ability to make changes on behalf of the customer.

Offer self-service: Allow customers to update their information independently, without having to contact customer service. This can be done through an online customer portal or mobile app and is a huge time-saver.

Use data cleansing tools: Use data cleansing tools to clean customer data on a regular basis. This can help to remove duplicate or outdated customer information.

Integrate with your CRM and core systems: Use customer data integration to connect customer data with your CRM and core systems. This can help to ensure that customer information is always up-to-date and accessible.

Implement a customer self-service portal: Allow customers to update their information on their own, without having to contact customer service. This can be done through an online customer portal or mobile app.

Offer customer service support: Provide customer service representatives with the ability to make changes on behalf of the customer.

Use data enrichment tools: Use data enrichment tools to add missing customer information. This can help to make sure that customer information is complete.

Allow customers to sign electronically: Allow customers to sign documents electronically, helping to reduce paper waste and make it more convenient for customers.

Shift from PDFs and web forms to digital journeys: Shift from PDF customer forms to digital customer journeys. This can help to simplify the customer data intake process and make it more efficient.

Data intake KPIs

Now that we've covered best practices, let's take a look at some key performance indicators (KPIs) that you can use to measure the success of your customer data intake process.

- Customer satisfaction score
- Churn rate
- Retention rate
- Customer lifetime value (CLV)
- Number of customer service calls
- Average call handle time
- First call resolution rate
- Customer self-service usage rate
- Customer data quality score

While these KPIs depend on more than only how you intake customer data, customer data intake is a critical part of ensuring customer satisfaction and reducing customer churn.

By monitoring these KPIs, you can get a better understanding of how your customer data intake process is impacting your business.

Following these best practices can help you to improve customer satisfaction, reduce customer churn, and increase customer lifetime value.

Make the shift from manual to digital customer data collection

Customer data intake is crucial for marketplace lenders. As competition increases and customer expectations change, it's more important than ever.

Advanced field validations, customer data integration, customer self-service portals, and electronic signatures are all great ways to boost experience with customer data intake.

There are a few things to keep in mind when collecting customer data and signatures:

Keep it simple: Make the signature process as simple and straightforward as possible.

Use electronic signatures whenever possible: Use electronic signatures whenever possible to collect customer signatures. This can help to make the process more efficient and secure.

Shift to digital journey: Shift customer forms from PDFs to digital customer journeys. This can help to simplify the customer data intake process and make it more efficient.

One of the best ways to improve customer data intake is to automate the process end-to-end. Automating customer data intake can help to improve customer experience, reduce errors, and save time.

Automated customer data collection includes the following advantages:

Validation at the point of entry ensures that data is accurate and complete

Conditional logic enables personalization of the data intake journey for better customer experience

Two-way integration with CRM and internal systems ensures that data flows both ways and is always up-to-date

A self-service customer portal or mobile app enables customer to update their information on their own

Electronic signatures reduce paper waste and are more convenient for customers

This seems like a lot to think about, but customer data intake doesn't have to be complicated. EasySend is a no-code platform that enables you to automate customer data intake with ease. With EasySend, you can create seamless digital customer data intake journeys in minutes, without any coding required. Try EasySend today and see how easy it is to automate your customer data intake!

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