

# Cornerstone – Small Credit Union Forum

## Improving Auto Lending with the Power of AI

David Adams, SVP Lender Client Experience

April 26, 2024

# When AI Isn't Helpful



Los Angeles Times





# Agenda

- Background of AI
- How Origence is Embracing AI and Automation
- AI in Auto Lending
- Practical Next Steps for Small Credit Unions



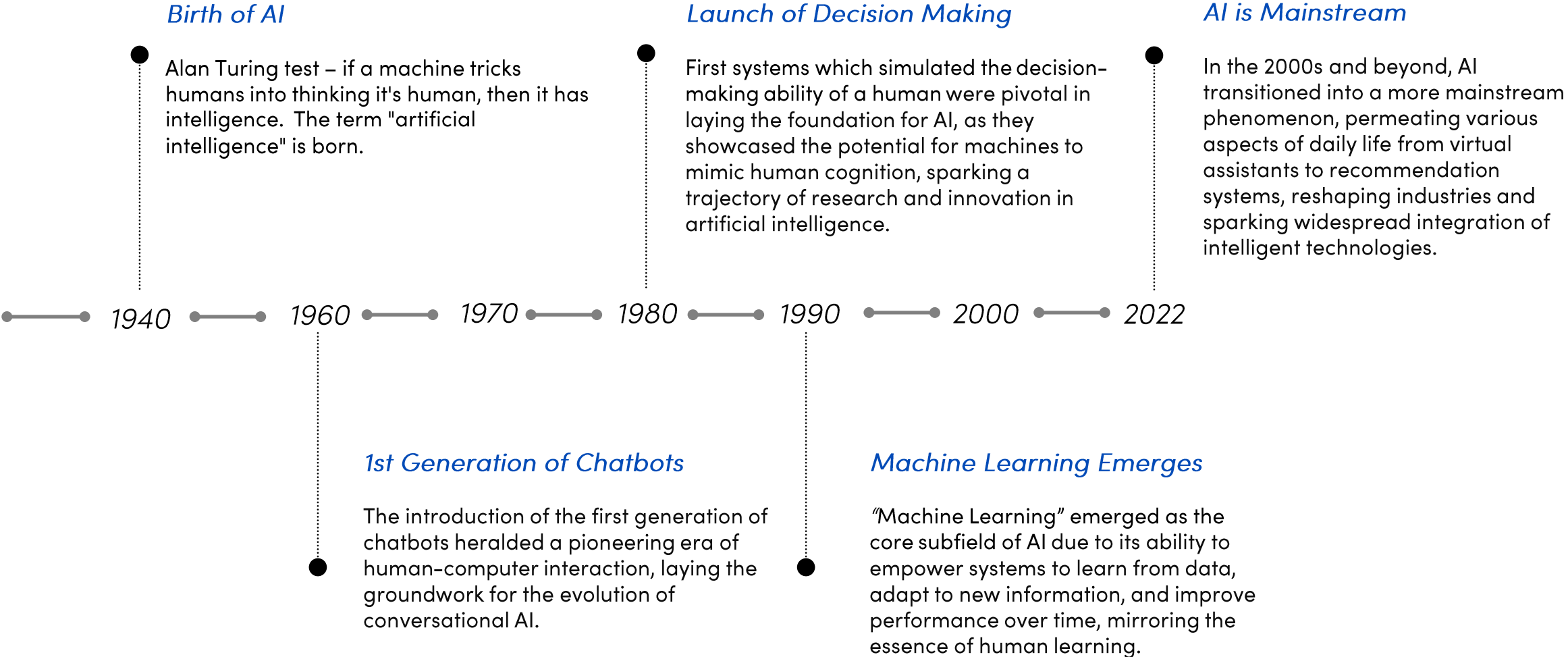
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# Background of AI

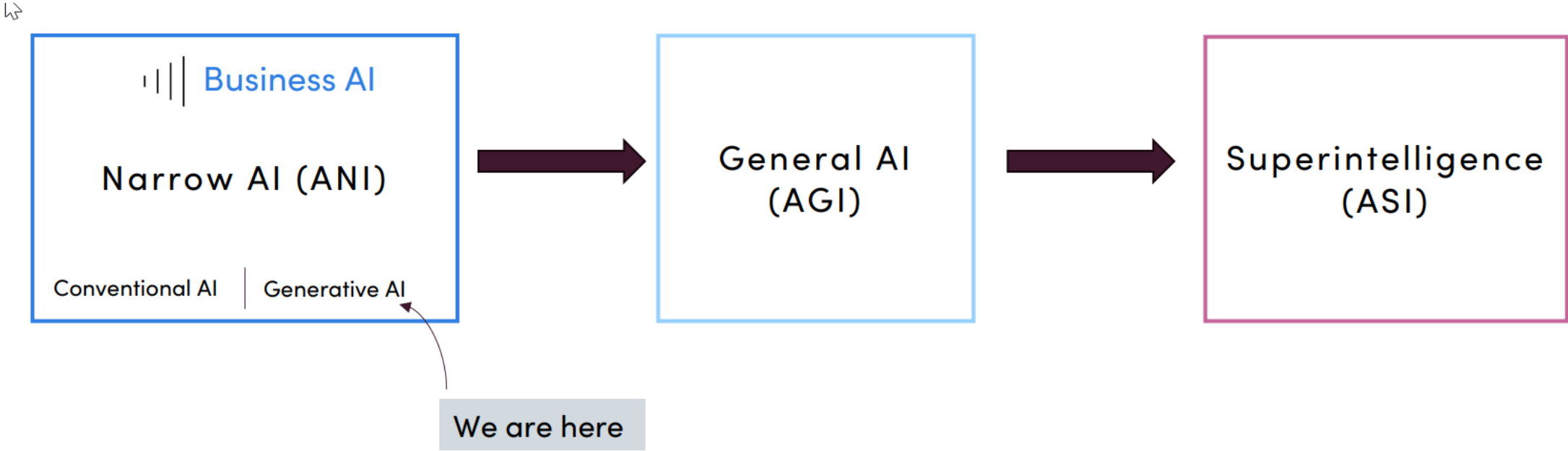
# What is AI?

Artificial Intelligence refers to the stimulation of human intelligence in machines that can perform tasks typically requiring human cognition.

# Evolution of AI



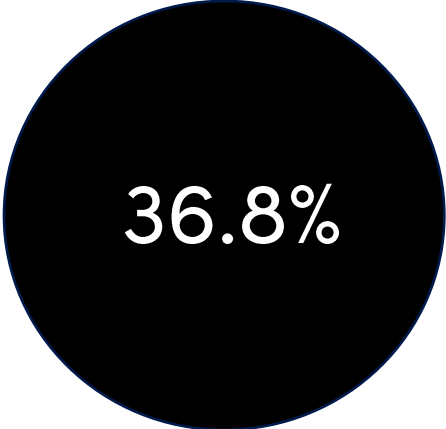
# Spectrum



# Growth and Marketplace of AI



Global AI Market



Growth to 2030



AI related jobs by 2025



AI laws passed globally





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# Embracing AI at Origenice

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[origence.com](https://origence.com)

# Our First Step



# Personnel Use



VS



# A Pro Tip from Ranjeev – Prompt Engineering

**Prompt Engineering** – Natural Language Processing (NLP) that involves embedding descriptions of tasks in input to prompt the model to output the desired results.

Goal – Context – Source – Expectations

Example:

“Generate 3-5 bullet points to prepare me for prompt engineering training with internal employees to discuss how prompt engineering would help with efficiency. Let's use simple language so that everyone gets up to speed quickly”





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# AI in Auto Lending

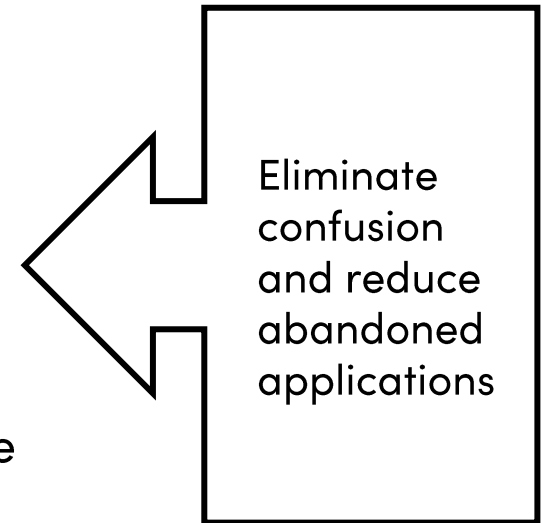
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# Application

- Application data pre-fill
- Co-browse
- Chat bot
- Off-the-shelf solutions for all of the above



Eliminate confusion and reduce abandoned applications

# Decisioning





## Credit Challenges



**Lack of accuracy increases charge offs**  
Middle tier risk assessment is a coin toss



**Underwriting is inefficient and slow**  
83% of credit unions return decisions in 30+ minutes that are in “refer” status

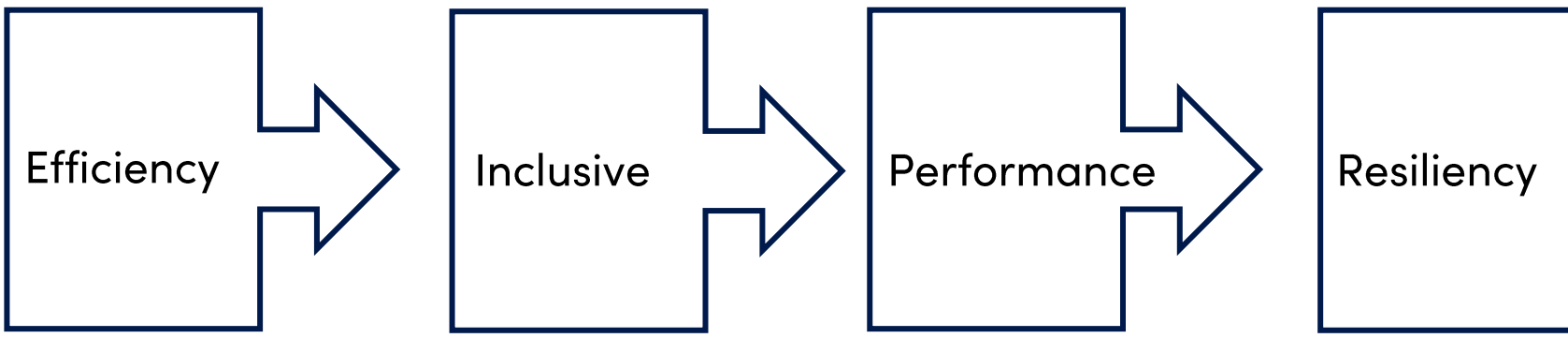


**Members are being left out**  
1 in 5 difficult or impossible to score





# Why AI Decisioning?



# Processing

## Automated Document Processing

- ✓ Recognize documents
- ✓ Sort documents
- ✓ Read documents
- ✓ Validate information
- ✓ Communicate with sender
- ✓ Write-back to systems





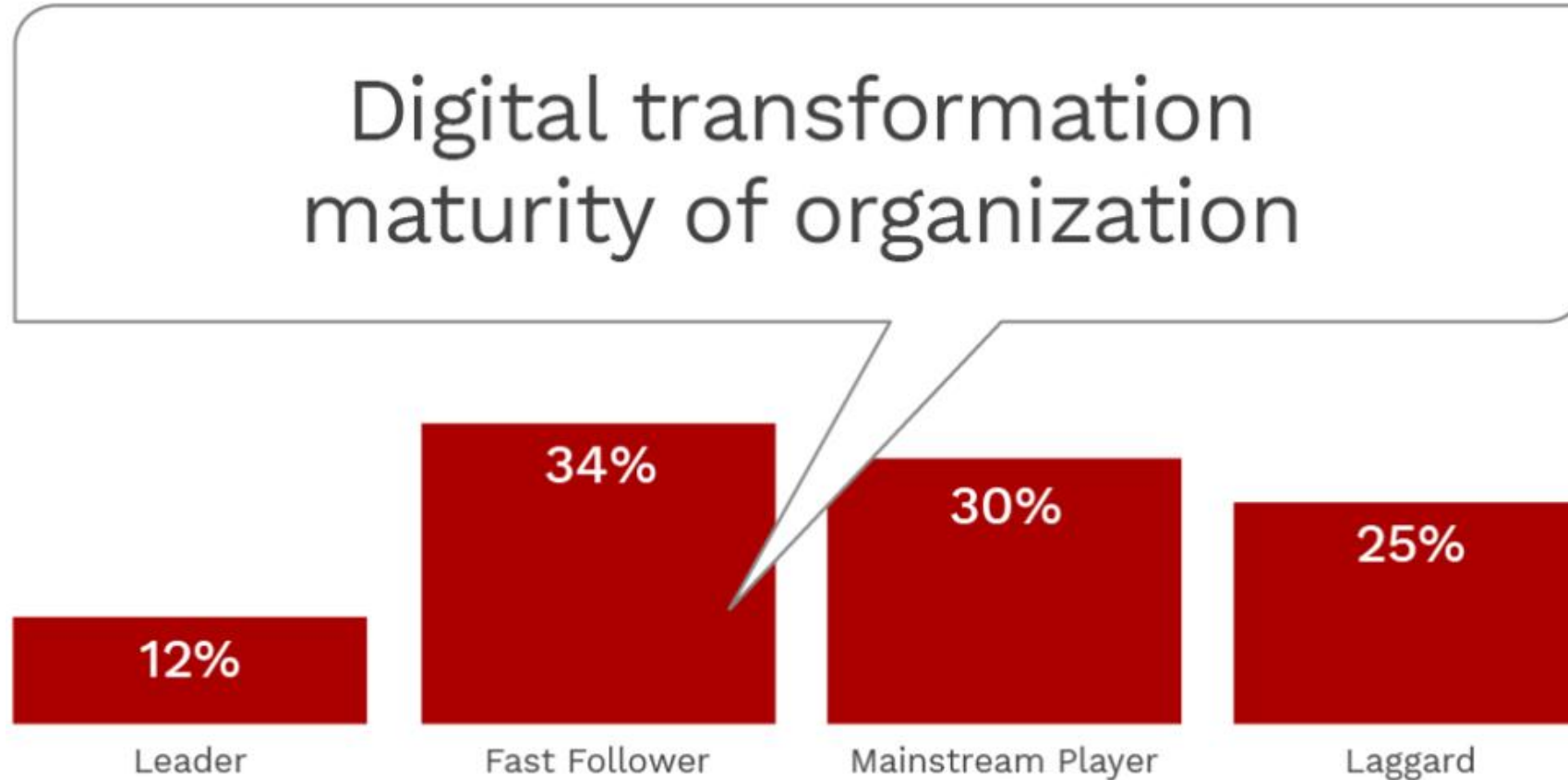
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# Getting Started

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# Transformation



Source: Digital Banking Report, The Financial Brand

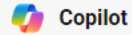
# Partnerships – Collaborative Superpowers of CU's



<https://ncua.gov/support-services/credit-union-resources-expansion>



# Universities (thank you Copilot)



Certainly! Here are some universities in Texas that offer opportunities for small businesses to engage with AI:

## 1. University of Texas at Austin (UT Austin):

- UT Austin has launched an **online Master of Science in Artificial Intelligence (MSAI)** program. This program, delivered by the Department of Computer Science and Machine Learning Laboratory, aims to bring thousands of new students into the field of AI. It covers topics like natural language processing, reinforcement learning, computer vision, and deep learning. The MSAI program is priced close to \$10,000, making it an accessible option for learners. It also emphasizes ethical implications of AI technologies<sup>1</sup>.



## 2. Texas A&M University-Kingsville (TAMUK):

- TAMUK offers courses and programs in AI and related areas. While not specifically grants, their educational offerings can benefit small businesses looking to upskill in AI<sup>2</sup>.

## 3. The University of Texas of the Permian Basin (UTPB):

- UTPB is another institution in Texas that provides educational resources. Although not exclusively grants, their programs can be valuable for small businesses interested in AI<sup>3</sup>.



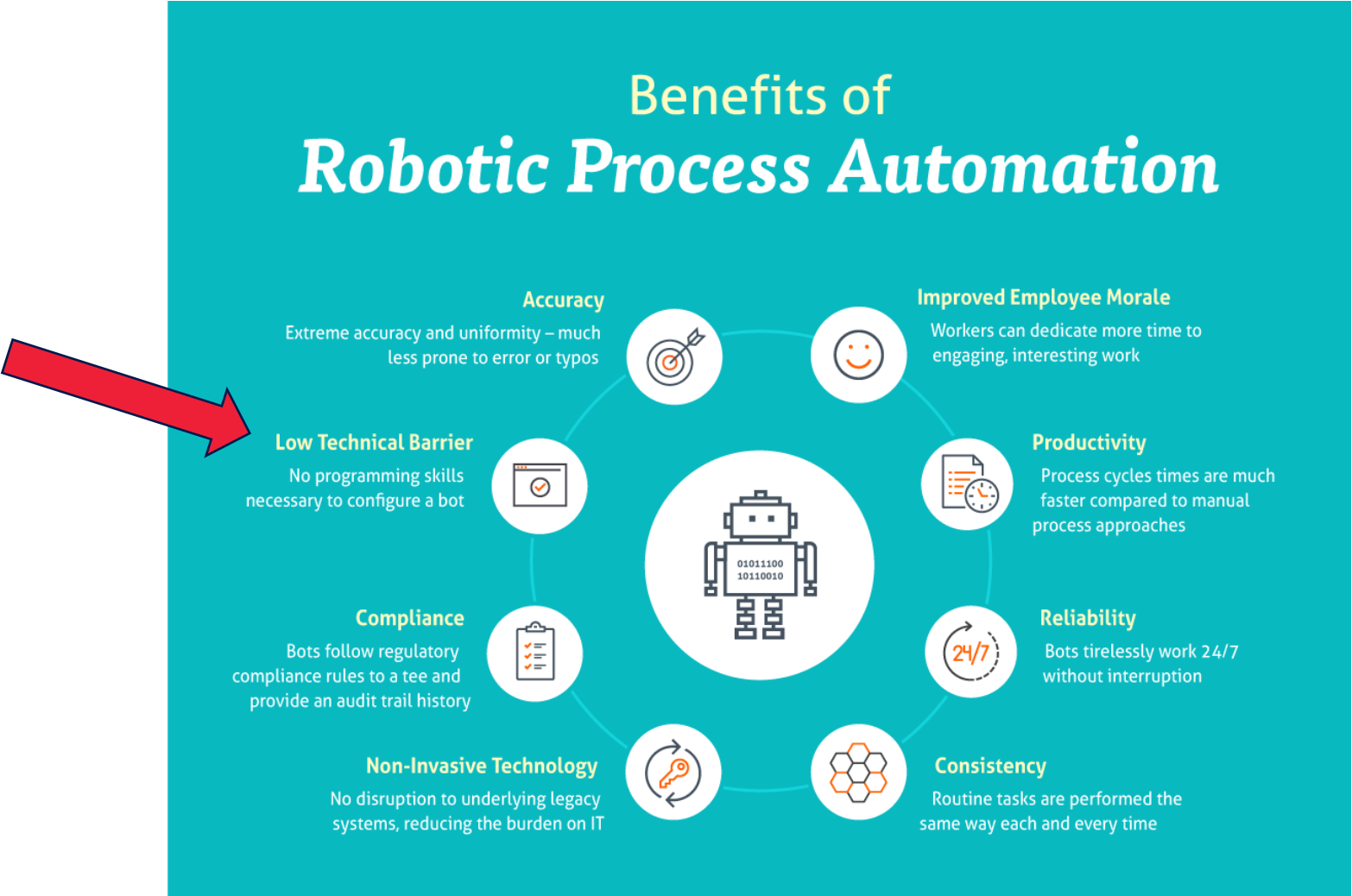
## 4. Texas Southern University (TSU):

- TSU offers courses and programs in AI, including bachelor's, master's, and doctorate degrees. While not specifically grants, their educational offerings can be beneficial for small businesses seeking AI expertise<sup>4</sup>.

Sources: [utexas.edu](https://utexas.edu), [tamuk.edu](https://tamuk.edu), [utpd.edu](https://utpd.edu), [tsu.edu](https://tsu.edu)



# Start Simple – Can You Replace a Mundane Human Task?



Source: Pier Paolo Ippolito, Towards Data Science

# Data, Data, Data



Core



LOS



Online banking



Debit/Credit

Warehouse it.



*“If you don't reveal some insights soon, I'm going to be forced to slice, dice, and drill!”*



**Thank you!**

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<https://events.origence.com/LIVE24/page/2814256/registration>