

Support Small Businesses with Simple, Fast Processing

Cognizant Paycheck Protection Program Forgiveness Solution is a turnkey solution that provides a stress-free customer experience and customizable technology for lenders' operations and compliance support.

KEY CHALLENGES FOR BANKS

Loan disbursement was frustrating for PPP lenders and borrowers alike. High loan volumes, technical challenges and manual processing were significant problems. Phase 2 is likely to be even more complex. Challenges include:

- **Borrower anguish:** Given the uncertainty of their financial position, customers are anxious about the forgiveness process and amounts. PPP lenders can expect heavy call volume and potential disputes.
- **Operational complexity:** Documentation requirements and proof of usage are complex, fluid and easily misinterpreted by borrowers. The process is likely to include multiple cycles of data gathering and validation. Approximately 40 percent to 50 percent of the documentation is expected to be in nonstandard formats requiring significant manual effort to process and confirm applicability.
- **Contact center volume:** Typical calls are expected to last 10 to 30 minutes, leading to long hold times and stress for both customers and customer service agents.
- **Disruption to technology and operations:** PPP lenders will be required to evaluate the impact of this short-term need before implementing long-term, disruptive updates to their loan-processing platforms and operating models, especially regarding the Small Business Association's (SBA's) evolving rules. The impact to revenue-producing functions and

Lenders face a steep challenge in the next phase of the CARES Act's Paycheck Protection Program (PPP). As borrowers apply for loan forgiveness, PPP lenders will be processing applications and collecting supporting documentation. They'll also be calculating loan-forgiveness amounts and servicing the unforgiven portion as loans to be paid back within two years.

the likelihood of unintended consequences is a key consideration.

• **Compliance reporting:** PPP lenders can expect queries from multiple agencies for proof of compliance, fairness in the loan-forgiveness process and dispute resolution. Detailed records and auditing is essential to provide the necessary regulatory reporting and SBA compliance.

• **Processing costs:** The loan-forgiveness phase reaches through all aspects of PPP lenders' business, from operations and the call center, to compliance reporting and technology platforms. It's expected to result in negative return on investments (ROIs). In addition, processing the unforgiven portions of small PPP loan amounts using expensive commercial loan platforms will further add to long-term costs.

HOW IT WORKS

Cognizant Paycheck Protection Program Forgiveness Solution minimizes disruption for PPP lenders. It's an intuitive, customizable solution that banks can implement quickly. It delivers cost-effective loan processing and is SBA-compliant. Our solution is customizable, so PPP lenders can choose the components that fit their needs based on existing capabilities and investments.

- A user-friendly **Digital Portal** guides borrowers through the forgiveness application process. Borrowers upload all supporting documents to a secure vault. Through the portal, they're able to communicate with loan officers and track the status of their application. Alternatively, Cognizant can **customize lenders' existing loan platforms** for use as the PPP portal.
- Our **Digital Operations Center** is staffed by PPP experts who review the uploaded documents for completeness and quality and proactively interact with borrowers for missing information. The operations center will continuously enhance efficiencies by progressively using "bots" to automate documentation review and validation.
- Dedicated agents in our **PPP Contact Center** handle all borrower queries relating to their PPP loan forgiveness application.
- A **servicing platform** can offload PPP loans that don't qualify for complete loan forgiveness to a lower cost platform for continued servicing.
- The **platform can be extended** to include and integrate with fraud, collections, compliance and reporting modules.

Why Cognizant?

• **Choose the features and functionality that fit your needs.** Our comprehensive solution is highly customizable. Select your choice of portal as well as middle-office operational support and a dedicated customer contact center. Future extension to fraud, collections and compliance modules is available.

• **Provide an intuitive customer experience.** The digital portal guides loan recipients through the adjudication process with easy-to-use instructions and forms. Guided document functionality enables customers to upload documents and then view the status of their PPP loan-forgiveness request on a simple, straightforward dashboard.

• **Stay secure and SBA-compliant.** Gain best-in-class security and privacy standards and protocols. Our solution is compliant with SBA guidelines and is flexible enough to incorporate new changes and guidelines like the Paycheck Protection Program Flexibility Act of 2020.

• **Manage costs effectively.** Our solution delivers lower costs than in-house processing that requires modification of existing technology architecture, and commercial loan-processing platforms that are expensive to operate.

• **Implement quickly.** Be ready for application intake and processing within two to four weeks. Our MVP-based approach allows you to progressively add features and integrate with legacy and external providers as needed.

About Cognizant

Cognizant (Nasdaq-100: CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 194 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at www.cognizant.com or follow us @Cognizant.



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