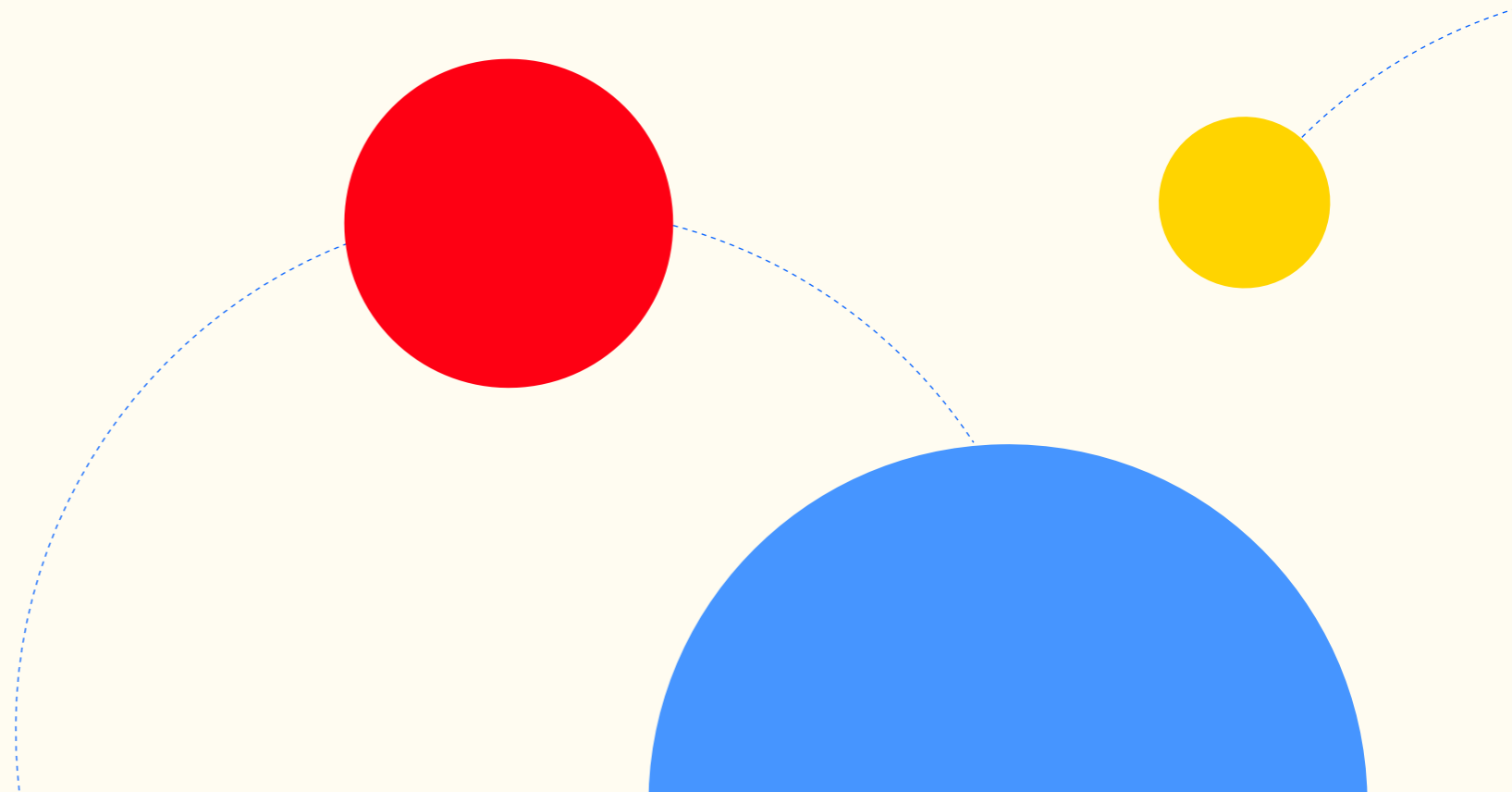
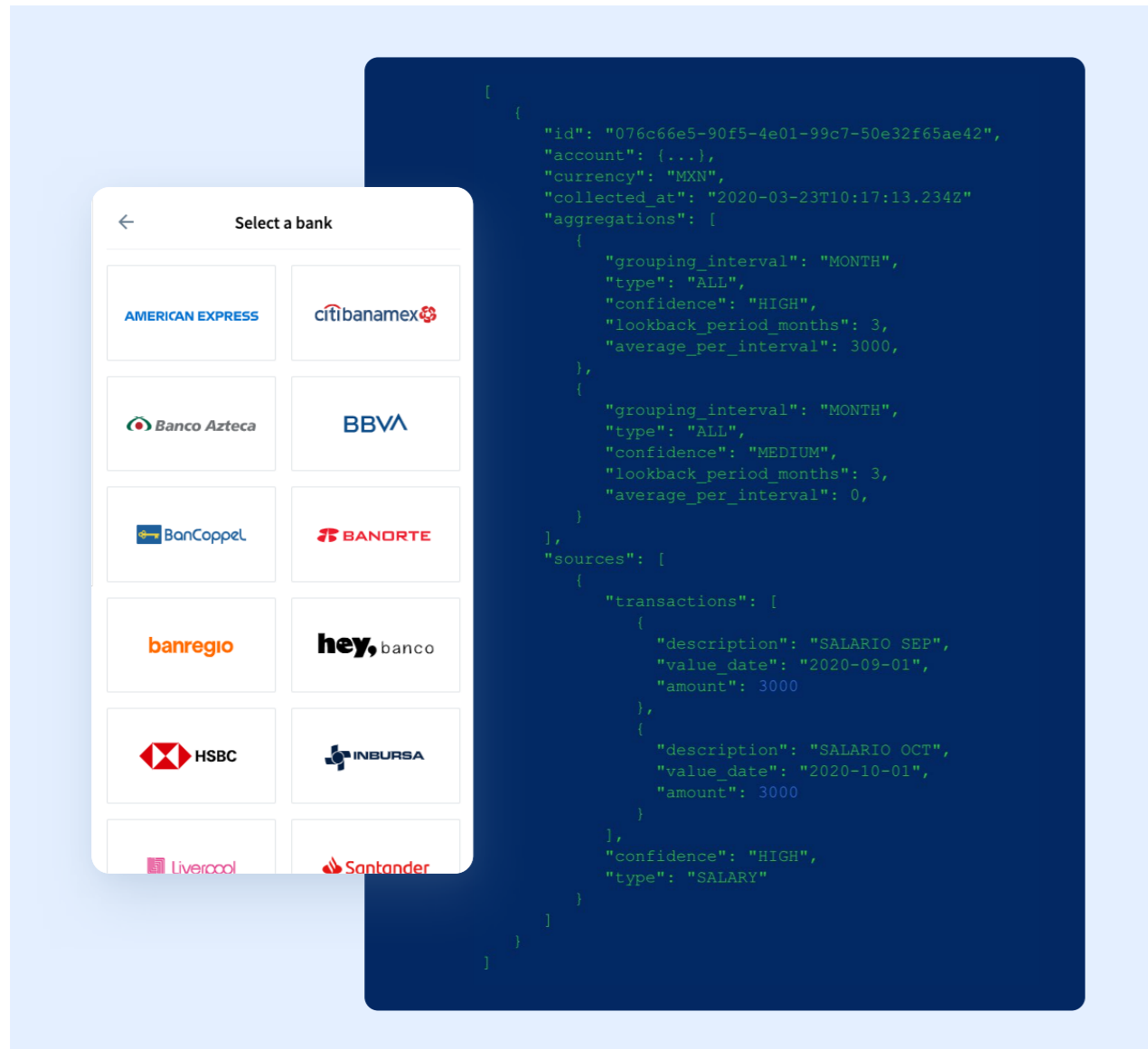


QUICK GUIDE

How to improve underwriting decisions with income verification and Open Banking



Integrating Open Banking into your business can enhance underwriting decisions to issue credit faster, more easily, and with reduced risk. Thanks to **an automatized and secure access to banking data** through APIs, companies can directly verify their potential customers' income and get an instant picture of their real financial stability and ability to pay. This reduces the time required by lenders to do risk assessments based on data-driven decisions and helps them reach a wider range of customers.



Your customers connect their bank accounts via Belvo and you'll get instant access to their income details.

Why is this relevant

Income verification is amongst the most important procedures that **lenders conduct before approving a loan**. The collection of this information is a crucial part of the underwriting process: it helps lenders assess if a potential customer can afford new liabilities and whether the customer fits their risk profile.

However, nowadays, digital lending income verification processes are **cumbersome**, making applying for a loan a slow and costly process for both the applicant and the lender:

- **Time-consuming:** applicants are asked to submit financial documents, such as paylips and bank statements, often in physical form.
- **Unverifiable:** submitted documents can contain manual errors and are often unverifiable by lenders, increasing the risk of document forgery.
- **Reliable data is scarce:** in some countries, lenders collect this information from credit bureaus – yet it's only available for some users and is often outdated or incorrect.

From a business perspective, this creates several inefficiencies:

- **Hard to scale:** relying on manual collection can become a burden for fast-growing companies.
- **Non-digital:** manual processes are difficult to integrate into companies' digital operational flows.
- **Higher risks and costs:** the unavailability of reliable data increases risk and reduces eligibility for customers.

This situation also feeds back into a vicious circle of **under-banking**, since in the absence of convenient and accessible tools to demonstrate their income to financial institutions, citizens are forced to assume higher prices that negatively affect their financial stability.



Only 18 percent of adults in Latin America use credit products from financial institutions, compared to 68 percent in the US, according to the World Bank

How Open Banking can change this

Open Banking allows individuals to share their banking data with third parties through APIs. With users' consent, companies can have **direct access to their customers' financial information** to make better decisions in a secure, fast, and user-friendly way.

Following these principles, Belvo has created an [Income Verification Product](#) specifically **designed to help lenders in Latin America** access income data from their customers.

The solution is based on a data-science-based model that **analyzes user account movements to find patterns** in the frequency and quantity of transactions, as well as the combination of certain keywords that indicate if they correspond to income or not.



The model is able to identify the movements that correspond to recurrent income with a reliability of up to 90 percent

The benefits of Belvo's Income Verification Product

Automating income verification through banking APIs offers lenders a reliable and regular source of information to improve underwriting processes, which **increases the likelihood of the application being approved**, reduces risks, and speeds up credit issuance.

The solution has been developed to provide useful information to lenders in all kinds of financial circumstances, including irregular sources of income, which are often difficult to detect in traditional models. This also allows lenders to broaden their potential customer base.

- **Measure the income of the borrower:** with high accuracy for affordability assessments.
- **Analyze income reliability:** measure the regularity and stability of payments of your customers.
- **Identify and reduce repayment risk:** detect income changes through recurring access to the borrower's account to foresee ability to pay.

The solution developed by Belvo is 100 percent **plug-and-play**: all your users need to do is connect their bank account to your app and Belvo will automatically retrieve the end-users income for up to 12 months.

Our model is **based on millions of transactions**, allowing us for robust modeling that gets better and better as we scale. We are continuously enhancing our categorization engine and our data science models to boost the accuracy of our verifications.

Belvo's [Income Verification Product](#) enables you to benefit instantly from Open Banking in your credit journey.

```

Income

from belvo.client import Client

# Login to Belvo API
client = Client("Secret Key ID", "Secret Key PASSWORD",
               "https://api.belvo.co")

# Retrieve incomes
incomes = client.Incomes.create(
    link="link_id"
)

Python | Nodejs | Curl | Ruby
  
```

Get instant access to your users' type of income, source of origin, amount, currency, and recurrence.

Want to start improving your lending decisions?

[Contact us](#)