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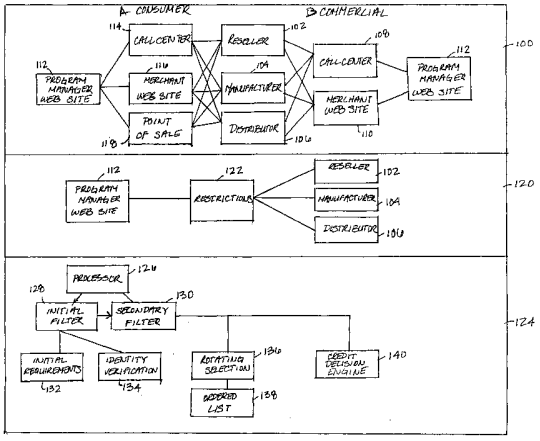
(54) Title: LOAN SECURITIZATION POOL HAVING PRE-DEFINED REQUIREMENTS



(57) Abstract: Computerized systems and methods for initiating, creating, managing, and securitizing loans and other credit programs electronically are disclosed. Loan securitization pools that can be subscribed to by a plurality of lenders are electronically defined and established. The loan securitization pools comprise loans from a plurality of lenders, and are created according to optimizing a plurality of loan features, thereby maximizing the potential conversion value of the loans therein. Optimization techniques are disclosed for establishing the loan securitization pools with pre-defined sets of loan characteristics, such that the loan securitization pools have an easily analyzed worth and will not be discounted when converted to cash. The systems and methods provide lenders with equal opportunity access to a plurality of loan securitization pools, such that the lenders can subscribe to various loan securitization pools, and within each loan securitization pool, subscribing lenders are equally provided loan securitization opportunities on a rotating basis. Computerized systems and methods for simultaneously managing multiple securitization pools are also disclosed. Lenders can re-allocate loans into secondary loan pools when the loans become ineligible for primary loan pools.

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LOAN SECURITIZATION POOL HAVING PRE-DEFINED REQUIREMENTS

BACKGROUND OF THE INVENTION

[0001] *1. Field of the Invention:* The invention relates primarily to loan securitization and management. More specifically, the invention relates to systems and methods for initiating, creating, managing, and securitizing loans and other credit programs.

[0002] *2. General Background and State of the Art:* Banks and other lenders who carry loan balances on their books benefit from converting their loan portfolios to cash, which can then be used to make additional loans. One way that lenders can convert their loans into cash is by selling their loan portfolios. Lenders tend to pool their loans into portfolios that can be sold, such as to a bond trader or investment banker, and converted to cash.

[0003] Several problems can arise in connection with this commonly practiced approach. First, many lenders are unable to take such an approach, and are therefore unable to convert their loans to cash. This is because a loan portfolio typically cannot be sold to a bond trader until it reaches a certain minimum level. Currently, this level is often around $100 million for maximum profitability. Such a high amount makes practicing this loan conversion approach cost prohibitive for smaller lenders, who simply do not have portfolios of that size.

[0004] Another common problem is that smaller lenders do not generate enough loans to establish multiple loan portfolios. This problem also forces lenders to restrict the variety of loans that they offer so that the volume of loans for similar products is greater. This consolidation of loan types increases the risk to the lender because the loan portfolio is not sufficiently diversified. The separation of a lender's loans would be desirable because bond traders apply different values to loan portfolios according to the characteristics of the portfolios. For example, loan portfolios including revolving credit loans may be less valuable than loan portfolios including installment plan

loans. Other characteristics according to which value is measured include, but are not limited to, loan terms, interest rate, and classification of securitization, such as auto or home. However, because of the inability of smaller lenders to generate enough loans to have multiple loan portfolios, these smaller lenders are often unable to take advantage of loan conversion.

[0005] A further common problem is that there is not currently an efficient method for optimizing loan such that their value to bond traders is maximized. There is also not currently a method for efficiently matching a lender's loan portfolio with an interested bond trader. Typically, when a portfolio reaches the minimum amount, such as $100 million, the lender must individually "shop" the portfolio in order to convert it to cash. This is often accomplished by hiring an investment banker to find a buyer on Wall Street. This manual process is highly individualized, highly subjective, and produces uncertain and inefficient results. Moreover, these loan portfolios, which were not established to have optimized loan characteristics, are difficult to analyze and assign a value to. The result is that such loan portfolios are often heavily discounted by bond traders or other potential purchasers.

[0006] Yet another common problem is that lenders are typically required to make a guarantee to the buyer that the loans within the portfolio will be paid back. These guarantees must be carried on the books of the lenders, which creates an offset against any value the lender received by converting the portfolio. Moreover, because of FDIC and federal auditing rules, loan guarantees made by the lenders require the lenders to carry a greater cash reserve, again offsetting the cash value attained by converting the portfolio.

INVENTION SUMMARY

[0007] The present invention helps solve these and other problems by providing computerized methods and systems for initiating, creating, managing, and securitizing loans and other credit programs electronically. In one embodiment, the invention utilizes loan securitization pools that can be subscribed to by a plurality of lenders, such that smaller lenders are not excluded from participating in converting

their loans. Certain embodiments of the invention also includes optimization techniques for establishing the loan securitization pools with pre-defined sets of loan characteristics, such that the loan securitization pools have an easily analyzed worth and will not be discounted when converted to cash. Other embodiments of the invention include creating loan securitization pools having pre-defined requirements, and creating common conduits of lenders who share a common set of loan rules.

[0008] The present invention also helps solve the above problems, and others, by providing to computerized methods and systems for initiating, creating, managing, and securitizing loans and other credit programs electronically. One embodiment of invention provides lenders with equal opportunity access to a plurality of loan pools, and to non-qualified loan pools, such that the lenders can subscribe to various loan pools, and within each loan pool, subscribing lenders are equally provided lending opportunities on a rotating basis. To subscribe to a pool, a lender's rules must meet the minimum eligibility requirements of the pool. The lender's rules need not mirror the eligibility requirements of the pool, so long as they comply with those requirements at a minimum.

[0009] The present invention further helps solves the above problems and others by providing to computerized methods and systems for initiating, creating, managing, and securitizing loans and other credit programs electronically. One embodiment of the invention allows lenders to participate in loan securitization pools with other lenders, such that they can collectively establish a pool amount that is large enough to sell and convert to cash. Another embodiment of the invention also allows lenders to allocate a loan to relatively higher valued loan securitization pools based on the loan characteristics, and to re-allocate the loan to a relatively lower valued loan securitization pool should the loan fall out of or become disqualified from the relatively higher valued loan securitization pool during its seasoning period, before it has matured. This ability for smaller lenders to participate in loan securitization pools and to re-allocate loans during their seasoning period means that the loans may always be placed in the most beneficial loan securitization pool available. This flexibility allows lenders to both contribute to larger multi-lender loan portfolios that

would otherwise be unattainable to the individual lenders, to select from among a plurality of loan securitization pools such that the lender can ensure the highest possible value for the loan when it is ultimately converted and to accept a broader spectrum of loans into a portfolio because there is a pool which will accept the loan product.

[0010] In one embodiment of the invention, loan securitization pools are established with a computerized system by defining a loan eligibility requirement for the loan securitization pool, and allowing only loans meeting the defined loan eligibility requirement to be qualified for allocation to the loan securitization pool.

[0011] In another embodiment of the invention, eligible loans meeting pool requirements are constructed to have an automatic "buy-out" guarantee, by entering into a computing system a buy-out amount for which a broker will purchase constituent loans of a loan securitization pool, entering into the computing system a maturity amount for the loan securitization pool wherein the maturity amount is at least equal to the entered buy-out amount, tracking the balance of the loan securitization pool as loans are allocated to it, and generating a notification when the balance of the loan securitization pool reaches the maturity amount.

[0012] In yet another embodiment of the invention, lenders are aggregated into a common conduit according to their ability to adhere to a universal set of loan rules. In this aspect of the invention, a loan rule followed by a first lender is identified, a second lender who also follows the identified loan rule is identified, and a computing system is used to group the first lender and the second lender into the common conduit of lenders.

[0013] In a further embodiment of the invention, pools of loans are governed by a common set of loan servicing rules during the seasoning period of the loans.

[0014] In yet a further embodiment of the invention, a system for establishing a loan securitization pool comprises an input device for entering a defined loan eligibility requirement for the loan securitization pool, a storage system for receiving the entered loan eligibility requirement and for receiving a loan application including a

loan feature, and a computer processor for retrieving the entered loan eligibility requirement, retrieving the received loan application and determining the included loan feature, and allowing only applications for loans including a loan feature that satisfies the defined loan eligibility requirement to be allocated to the loan securitization pool.

[0015] In yet another embodiment of the invention, computer-readable media containing instructions executable by a computer cause the computer to receive a loan eligibility requirement for a loan securitization pool and allow only loans meeting the defined loan eligibility requirement to be qualified for allocation to the loan securitization pool.

[0016] In yet another embodiment of the invention, computer-readable media containing instructions executable by a computer cause the computer to identify received loans that meet the defined loan eligibility requirement, allocate the identified loans to the loan securitization pool, and increase the balance of the loan securitization pool to reflect an additional amount contributed to the loan securitization pool by the allocated loan.

[0017] In yet another embodiment of the invention, computer-readable media containing instructions executable by a computer cause the computer to receive a buy-out amount for which a broker will purchase constituent loans of a loan securitization pool, calculate a maturity amount for the loan securitization pool that is at least equal to the received buy-out amount, track the balance of the loan securitization pool as loans are allocated to the loan securitization pool, and determine when the balance of the loan securitization pool reaches the maturity amount.

[0018] Another embodiment of the invention comprises a rotating credit decision method. The rotating credit decision method provides participating lenders who subscribe to a common securitization pool with an equal opportunity for generating loans eligible for that securitization pool to their customers. The rotating credit decision method selects the credit rules to apply for a loan based upon the applicable

rules for a pool and/or based upon an individual lenders rules for a non-qualified pool.

[0019] In another embodiment of the invention, a set of securitization pools for which a new loan qualifies is identified, and a comprehensive list of lenders who subscribe to those pools is compiled. From the comprehensive lender list, the least recent lender is offered the new loan. The lender's credit decision software generates an automatic decision regarding whether or not to take the loan. Should the lender not agree to take the loan, it is offered to the next lender on the list.

[0020] In another embodiment of the invention, when a lender list is rotated through one full cycle in which none of the lenders accepts the loan, the list is rotated through a second cycle. In the second cycle, the least recent lender is offered an opportunity to perform a manual review of the offered loan.

[0021] In yet another embodiment of the invention, a lender is selected for offering for review a loan application that is qualified for a loan securitization pool by querying data storage to identify subscribing lenders of the loan securitization pool, and using a computerized system to offer the loan application for review to a lender selected from among the identified subscribing lenders.

[0022] In a further embodiment of the invention, a lender is selected from among a group of subscribing lenders by querying data storage to identify the most recent time that each of the subscribing lenders of a loan securitization pool was offered a previous loan application, constructing an ordered list of the subscribing lenders, ranging in order from a lender least recently offered a previous loan application to a lender most recently offered a previous loan application, and offering the loan application for review to each lender on the ordered list, in the order in which the lenders appear on the ordered list, until an offered lender accepts the loan application.

[0023] In yet a further embodiment of the invention, a lender is selected from among a group of subscribing lenders by querying data storage to identify which of the subscribing lenders was least recently offered a previous loan application and

selecting the identified least recently offered lender to be offered the loan application for review.

[0024] In yet another embodiment of the invention, the loan application is offered to each subscribing member of a loan securitization pool first for automatic credit review and, if each subscribing member declines to accept the loan application, it is offered to each subscribing member in the same order for manual credit review.

[0025] In yet another embodiment of the invention, a system for selecting a lender for a loan allocated to a common loan securitization pool comprises an input device for entering loan application information, a processor for identifying a loan securitization pool for which a loan described in the loan application information is qualified and for identifying subscribing lenders of the determined loan securitization pool, and a communication device for offering the loan application to a lender selected from among the subscribing lenders.

[0026] In yet another embodiment of the invention, computer-readable media containing instructions executable by a computer causes the computer to query data storage to identify subscribing lenders of a determined loan securitization pool and offer the loan application for review to a lender selected from among the subscribing lenders.

[0027] In yet another embodiment of the invention, computer-readable media containing instructions executable by a computer causes the computer to query data storage to identify the most recent time that each subscribing member of a loan securitization pool was offered a previous loan application, construct an ordered list of the subscribing lenders, ranging in order from a lender least recently offered a previous loan application to a lender most recently offered a previous loan application, and offer the loan application for review to each lender on the ordered list, in the order in which the lenders appear on the ordered list, until an offered lender accepts the loan application.

[0028] In yet another embodiment of the invention, if the loan does not qualify for any securitization pool the rotating credit decision a comprehensive list of lenders

who subscribe to those non-qualified pools is compiled. From the comprehensive lender list, the least recent lender is offered the new loan. The lender's credit decision software generates an automatic decision regarding whether or not to take the loan. Should the lender not agree to take the loan, it is offered to the next lender on the list.

[0029] Another embodiment of the invention comprises a method for simultaneously managing multiple securitization pools. The simultaneous management method of this embodiment allows lenders to re-allocate loans into secondary loan pools when the loans become ineligible for primary loan pools. This method saves lenders from having to carry loans on their books when they become ineligible for a primary loan pool.

[0030] In one embodiment of the invention, a loan in a first loan pool that becomes ineligible for the first loan pool is re-allocated to a second loan pool for which it is eligible. After the loan becomes ineligible for the first loan pool, a second loan pool subscribed to by the lender and for which the loan is eligible is identified. The loan is then reallocated into the identified second loan pool.

[0031] In another embodiment of the invention, loan features for a loan are entered into a computerized system, a storage system is queried to determine loan eligibility requirement factors for a plurality of loan securitization pools, a first loan securitization pool is identified for which the loan is qualified based on the entered loan features and on the determined loan eligibility requirement factors for the first loan securitization pool, the loan is allocated to the first loan securitization pool, and a second loan securitization pool is identified for which the loan is qualified based on the loan features and on loan eligibility requirement factors for the second loan securitization pool.

[0032] In yet another embodiment of the invention, multiple loan securitization pools are managed by allocating a loan to a first loan securitization pool for which it is qualified based on an initial set of loan features and on loan eligibility requirement factors for the first loan securitization pool, a second set of loan features is determined if the loan becomes disqualified from the first loan securitization pool, a

second loan securitization pool is identified for which the loan is qualified based on the second set of loan features and on loan eligibility requirement factors for the second loan securitization pool, and the loan is re-allocated to the second loan securitization pool.

[0033] In a further embodiment of the invention, a system for managing multiple loan securitization pools comprises an input device for entering loan features for a loan into a computerized system, a storage system for storing the entered loan features, a processor for determining loan eligibility requirement factors for a plurality of loan securitization pools, identifying from the plurality of loan securitization pools a first loan securitization pool for which the loan is qualified based on the entered loan features and on loan eligibility requirement factors for the first loan securitization pool, allocating the loan to the first loan securitization pool, and identifying a second loan securitization pool for which the loan is qualified.

[0034] In yet a further embodiment of the invention, a system for managing multiple loan securitization pools comprises a processor for allocating a loan having a first set of loan features to a first loan securitization pool for which it is qualified and determining a second set of loan features if the loan becomes disqualified from the first loan securitization pool, a storage system for storing information about a plurality of loan securitization pools, and the processor also querying the storage system to determine loan eligibility requirement factors for a plurality of loan securitization pools and identifying a second loan securitization pool for which the loan is qualified and re-allocating the loan to the second loan securitization pool.

[0035] In yet another embodiment of the invention, computer-readable media containing instructions executable by a computer cause the computer to receive loan features for a loan, query a storage system to determine loan eligibility requirement factors for a plurality of loan securitization pools, identify a first loan securitization pool for which the loan is qualified based on the received loan features and on loan eligibility requirement factors for the first loan securitization pool, allocate the loan to the first loan securitization pool, and identify a second loan securitization pool for which the loan is also qualified.

[0036] In yet another embodiment of the invention, computer-readable media containing instructions executable by a computer cause the computer to allocate a loan to a first loan securitization pool for which it is qualified based on an initial set of loan features and on loan eligibility requirement factors for the first loan securitization pool, determine a second set of loan features if the loan becomes disqualified from the first loan securitization pool, query a storage system to identify a second loan securitization pool for which the loan is qualified based on the second set of loan features an on loan eligibility requirement factors for the second loan securitization pool, and re-allocate the loan to the second loan securitization pool.

[0037] The foregoing and other objects, features, and advantages of the present invention will become apparent from a reading of the following detailed description of exemplary embodiments thereof, in conjunction with the accompanying drawing Figures.

BRIEF DESCRIPTION OF THE DRAWINGS

[0038] FIG. 1 illustrates a layered structure for loan eligibility requirements used by an exemplary embodiment of the invention.

[0039] FIG. 2 illustrates a network relationship between credit applicants, merchants, lenders, credit bureaus and other entities involved in various exemplary embodiments of the invention.

[0040] FIG. 3 illustrates a first exemplary computer input screen for receiving information from a credit application into a computerized system in an embodiment of the invention.

[0041] FIG. 4 illustrates a second exemplary computer input screen for receiving information from a credit application into a computerized system in an embodiment of the invention.

[0042] FIG. 5 illustrates an exemplary digital signature enrollment process that may be utilized with embodiments of the invention.

[0043] FIG. 6 illustrates an exemplary computer information screen indicating to a credit applicant that a credit application is being processed in an embodiment of the invention.

[0044] FIG. 7 illustrates a communication system diagram describing communications relationships between lenders, merchants, applicants and other entities involved in embodiments of the invention.

[0045] FIG. 8 illustrates an exemplary computer information screen informing a credit applicant that a credit application has been approved according to systems and methods of the invention.

[0046] FIG. 9 illustrates an exemplary computer information and input screen informing an approved credit applicant of loan terms and requesting agreement information from the loan applicant.

[0047] FIG. 10 illustrates an exemplary computer information screen informing a credit applicant that a credit application was denied during automatic credit review processes in an embodiment of the invention, and will undergo further review according to manual credit review processes of the invention.

[0048] FIG. 11 illustrates an exemplary computer information screen informing a credit applicant that a credit application was denied under both automatic and manual credit review processes in an embodiment of the invention.

[0049] FIGS. 12-17 illustrate an exemplary embodiment of the invention as applied in an online merchant environment.

DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENTS

[0050] It is to be understood that the term "loan," as used herein, refers to any form of credit including but not limited to leasing, commercial credit lines, commercial flooring, installment loans, revolving credit, and credit cards. Also, rule books are computer programs that analyze data and make programmed decisions based upon that data. The rule books typically enforce business process rules, for example. Finally, a loan securitization pool is an accumulation of loans that meet a common set

of standards, and that can be securitized with an investment bank once it reaches a certain, pre-defined value. The standards that must be met in order for a loan to qualify for allocation to a loan securitization pool are referred to herein as "loan eligibility requirements."

[0051] Embodiments of the invention provide a systems and methods for initiating, creating, managing and securitizing loans and other credit programs electronically. The exemplary embodiments provide both a technology and electronic business process controlled by a software program manager that enables the creation of an online loan or credit application. The program manager utilizes online credit decision processes as interpreted by jurisdictional, lender, product financed and merchant coordinated electronic rule books. The program manager utilizes online underwriting and manual intervention of credit application review processes pursuant to coordinated electronic rule books based upon lender, jurisdiction, product financed, merchant and other variables including but not limited to interest free incentive programs, time, volume, risk based credit algorithms and the like. The program manager further utilizes online identity verification technology regulated by jurisdictional, merchant, lender, product, risk based algorithms, and fraud detection rule books.

[0052] In addition to the above features, the credit manager plays many additional roles in accordance with the invention. For example, the credit manager provides online contract generation according to jurisdictional, lender product financed and merchant coordinated rule books, and provides online warranty initiation, warranty creation and warranty delivery based upon the same considerations. Also, the credit manager provides electronic loan and credit settlement including but not limited to merchant payment, interest free incentive periods, manufacturer payment, processor payment, customer dispute resolution, credit card issuance and warranty settlement all based upon lender and merchant rule books operated electronically and subject to manual human intervention at critical points. In accordance with the invention, the program manager has functionality to determine what constitutes a critical point where human intervention is

required in the loan application review process, as will be more fully explained below. The credit manager also supports online contract signing using digital signatures and electronic signatures, provides electronic contract delivery and storage based upon electronic rule books of lenders, merchants, Certification Authorities and processors, and coordinates electronic loan servicing and management between the lender, merchant and manufacturer with the consumer or loan applicant.

[0053] Additional features of the credit manager include electronic payment of individual loans by consumers through an electronic sweeping of consumers' individual bank accounts, debit card or credit card accounts. The credit manager can also create and maintain reserve accounts that are managed and funded electronically, based upon a rule book that determines the amount withheld from each loan or credit offering to fund the reserve account. Additionally, the program manager can electronically maintain a balance in the account based upon the rule book and regulated disbursements from the account after defined minimums have been met.

[0054] Still more features of the credit manager include the ability to provide electronic loan consolidation based upon electronic rule books of the lender, merchant and program manager, securitization of consolidated loans based upon electronic rule books, and management of loan securitization pools that have been securitized based upon electronic rule books and are subject to human intervention at critical points.

[0055] These various features of the program manager enable the expansion of traditional loan initiation, creation, processing and settlement by using technology to create and manage the loan process for multiple lenders, merchants, and manufacturers using multiple processors and multiple means of communication. In accordance with the invention, each lender may have multiple credit programs, and the multiple processors and means of communication are based upon electronic rule books created and managed by the program manager.

[0056] The program manager is configured to electronically consolidate loans according to electronic rule books, such that all loans within a loan securitization pool meet predefined criteria and predefined percentages based upon product mix, size, term, credit risk, dollar amount, merchant, manufacturer, lender, geographic area, interest rate, security and other loan eligibility requirements. The program manager also adheres to pre-established standards for loan creation, credit risk analysis, credit decisioning, contract management, loan settlement procedure, loan conflict resolution, loan servicing, and securitization of loans. Therefore, multiple risks associated with the entire process can be individually characterized so that they can be electronically actuarially evaluated. Such capabilities, provided by systems and methods of the invention, permit the computerized assembly of loans into a bundle loan securitization pool that can be securitized and can be underwritten for identity fraud as well as credit risk.

[0057] The business process of systems and methods of the invention are jointly managed by the program manager and a securitization manager. Like the program manager, the securitization manager is a software tool for overseeing and managing the complex interactions of the inventive systems and methods described herein. The securitization manager provides the program manager with defined requirements and standards for the securitization of a loan securitization pool, which can be sold as a security. Methods of the invention provide the program manager with the ability to provide options to lenders to participate in a program that has a defined rate of return that can be backed up by a letter of credit or an insurance policy or bond and a program. The invention also contemplates an option with no such guarantees.

[0058] The program manager is then responsible to build and develop those necessary electronic rule books that provide rules and standards by which loans can be made based upon all of the requirements and standards provided by the securitization manager. The rule books are preferably written or constructed in a manner that a computer programmer can provide a computer program that will electronically evaluate the data and enforce rules regarding a loan application, and evaluate whether the loan applicant has met verifiable standards.

[0059] The program manager is also configured to build and develop the necessary rules and directives that provide the ability to dynamically evaluate the loan securitization pool during it seasoning stage, and to ensure that all loans within the loan securitization pool continue to meet the loan eligibility requirements. The rules are preferably written in a manner such that a computer programmer can provide a computer program that can electronically evaluate the individual loan, its performance over time and enforce rules regarding the loan.

[0060] The program manager is also responsible for building and developing the necessary rules and directives that provide the ability to take non-compliant loans and evaluate them with verifiable standards to determine if such loans can be re-assigned to another loan securitization pool by meeting the defined requirements and standards for all existing loan securitization pools in the system. The rules are preferably written in a manner that a computer programmer can provide a computer program that will electronically evaluate the data and enforce rules for allocation to a loan securitization pool.

[0061] Various embodiments of the invention employ an initial step of defining the terms and loan eligibility requirements for each loan securitization pool. First, an operator of the securitization manager meets with investment bankers, or other potential purchasers of loan securitization pools, to negotiate with those bankers the loan eligibility requirement for each loan securitization pool. These negotiations result in contracts for loan securitization. In some cases, the contracts will also include terms to service the loan securitization pool after it has been purchased by the investment bank.

[0062] At the conclusion of the contracting process, the securitization manager will develop a set of minimum requirements for all loans to participate in the loan securitization pool. These minimum requirements are the loan eligibility requirements. In some cases, the loan eligibility requirements may be developed such that they do not exactly mirror the contract terms; rather, they can be more restrictive to provide a profit margin and/or a margin of risk. The contract with the investment bank may also include warranties for performance that are underwritten by an insurer or another

qualified financial institution. The inclusion of such warranties or third party guarantees will directly impact the minimum requirements for the loan securitization pool.

[0063] It is possible, within the scope of the invention, to have multiple loan securitization pools with a single investment bank, and multiple loan securitization pools with separate investment banks. All of the loan securitization pools are combined into a loan portfolio, which the securitization manager uses to define the requirements of each loan securitization pool and to develop rules for the program manager. The process is dynamic in that the securitization manager can add new programs at any time to the portfolio, and once an individual loan securitization pool is complete, that particular loan securitization pool will be removed from the list of loan securitization pools available to investment banks for securitization. In accordance with the invention, loan securitization pools become complete when the dollar volume of combined loans has reached a defined level, and when they have enough loans with adequate seasoning to evaluate the performance of the combined loans. Those skilled in the art will be able to readily establish what amount of seasoning is adequate if the amount of seasoning has not been established as an eligibility requirement. Negotiations with investment bankers will establish the defined level for the dollar volume of combined loans at which loan securitization pools are completed.

[0064] After the securitization manager has received the loan eligibility requirements, it develops a set of rules for the loan securitization pool which will be provided to the program manager. The program manager uses the rules to develop a computer program that enforces the rules. Specifically, a computer rules analysis program is created to allow the program manager to set rules parameters and to value each rule in relation to all other existing rules. The outcome of this process can be converted into a separate computer program that is designed to enforce the rules.

[0065] The computer program for enforcing the rules is preferably a World Wide Web ("web") interactive program. The web is used as the primary communication medium between all of the participants in the systems and methods of the invention,

and the rules that are enforced are therefore converted to a program that can enforce such rules using electronically supplied data via the web. As used herein, the term "web" is used to denote all forms of electronic communication including but not limited to the Internet, intranets, Virtual Private Networks, Wide Area Networks, Local Area Networks, and the like.

[0066] In the exemplary embodiment, the methods also include rules for "non-qualified" loan securitization pools. A non-qualified loan securitization pool is established by the program manager when a lender or multiple lenders have agreed to issue loans that do not meet the loan eligibility requirements for allocation to a loan securitization pool that can be securitized. Although the invention contemplates and includes such loans, it is to be understood that non-qualified securitization pools include loans that a lender must carry on its books until maturity, and that cannot be securitized through the securitization program offered by the security manager.

[0067] In accordance with the invention, loan eligibility requirements are implemented in layers that are progressively specific in their requirements. As illustrated in FIG. 1, the first layer **100** is the identity and security screen. Layer **100** begins with the establishment of participation rules for the participating credit applicants. Although this is referred to as a single layer, it may involve multiple business process rules that can include regulations established by the merchant, the merchant's customer, the lender, and the program manager. The systems and methods of the present invention are able to accommodate both commercial and consumer credit applicants.

[0068] Commercial credit applications are typically accessed through a particular reseller **102**, manufacturer **104** or a distributor **106**. The reseller **102**, manufacturer **104** or distributor **106** use the online credit application method of the invention for its dealers or franchisees to obtain commercial loans. This could be done either through a telephone call center **108** or through a website **110** run by the reseller **102**, manufacturer **104** or distributor **106**.

[0069] In the case of a telephone call center **108**, a call center representative would connect to a website of the program manager where a credit application would be provided. In the case where the website **110** of the reseller **102**, manufacturer **103** or distributor **106** is the point of entry to the systems of the invention, there is a connection to the website **112** of the program manager that provides a credit application.

[0070] Access to the online credit application process is usually associated with a web store operated by the reseller **102**, manufacturer **104** or distributor **106**. After a customer has selected the products that it wants to purchase, he is provided options on how the goods are to be purchased. If the customer selects an option to finance the purchase, then he is automatically redirected to the website **112** of the program manager, where the credit application is presented. The website **112** of the program manager can be transparent to the customer if the merchant so chooses. In that case, when the customer is redirected to the website of the program manager, all of the data that the merchant has collected in its web based store regarding the products to be financed, personal or business information about the customer, and price and terms of the financing applied for are communicated via the web to the program manager. This data is stored in a file associated with the customer and is used to pre-populate any data field on the credit application that would otherwise be redundant to the customer.

[0071] Security controls may also be utilized in connection with the systems and methods of the invention, to control access to the website **112** for the loan manager. These security controls may include the use of digital signatures, user name and passwords, or other security controls. The nature and number of security controls that are used relate to the requirements for securitization of a loan securitization pool. For example, the securitizing investment firm may require that all borrowers be identified in person by an agent of the merchant. In that case, the program manager could be configured to require that the merchant's agent have a digital signature that could be used to uniquely identify them. The merchant's agent might also be required to sign an oath online with their digital signature attesting to the identity of the credit

applicant and stating what means they employed to determine such identity. Of course, any of a number of security controls such as this could be implemented in accordance with various embodiments of the invention, as will be recognized by those skilled in the art.

[0072] Because the identity of the reseller **102**, manufacturer **104** or distributor **106** may impact the type of credit that is available, this information is used by various embodiments of the invention to determine which credit application is to be presented to the credit applicant. Also, because there are significant differences in the data that are collected for a commercial loan and a consumer loan, the credit applications utilized by various embodiments of the invention reflect those differences. Therefore, the program manager preferably supports dynamic web page interfaces.

[0073] If the credit applicant is a consumer, access to the credit application can be achieved at either a website **114** of the reseller, manufacturer or distributor, through a telephone call center **116**, or at a point of sale **118**. Website **114** access and the telephone call center **116** access are achieved in the same manner for the consumer loan process as for the commercial loan process described above. In either case, the types of security controls utilized for the commercial loans would also be applicable. The program manager is responsible for keeping a record of how contact is initiated with the customer, as well as of the identity of the reseller **102**, manufacturer **104** or distributor's **106** agent. This information can be used as part of the reporting process to the lender or the reseller **102**, manufacturer **104** or distributor **106**. The type of credit application that is displayed to the customer is based upon a set of computer program rules related to the access point and to the identity of the reseller **102**, manufacturer **104** or distributor **106**. In the case of point of sale **118** access, customer access to the credit application could either be accomplished by the intervention of a person at the point of sale making contact with the website of the program manager, or through a kiosk located at the merchant's point of sale.

[0074] The second layer **120** of rules to be applied is the identity and security screens by the program manager are related to restrictions **122** on the loan application process according to various embodiments of the invention. In some

instances, the reseller **102**, manufacturer **104** or distributor **106** may want to be the exclusive initiator of the loan application process. The program manager can provide such controls through the online identity process. To further enhance the assurance of payment for goods or services, the reseller **102**, manufacturer **104** or distributor **106** can also select to implement a split payment mechanism. The split payment mechanism can become a pre-requisite to the presentation of a credit application, and has several purposes. First, it can enable a merchant to purchase goods without using its funds. It can also be used to ensure payment to the reseller **102**, manufacturer **104** or distributor **106**, or it can be used to provide anonymity of the credit applicant.

[0075] For example, a distributor may have multiple resellers to whom it distributes goods. The distributor has certain incentive programs for a selected portion of those resellers, that does not extend to other resellers. In that case, the distributor could advise the program manager of the resellers it will permit to use the incentives. The distributor thereby establishes a restriction **122** within the program manager, instructing the program manager that the incentive program is not to be made available to the other resellers.

[0076] As another example, resellers may be protective of their customers, and desire to keep the identities of their customers anonymous to the distributor. However, if the distributor desires to extend an incentive program directly to the reseller's customers, without disclosing the incentive program to the reseller. The web based split payment method of the exemplary embodiment invention, employed by the program manager, allows the reseller to direct its incentives accordingly, while allowing the resellers to protect their customer lists.

[0077] In an exemplary embodiment of the split payment mechanism, it is initiated by the reseller accessing the website of the distributor and determining the goods and services it wishes to purchase and their price and terms. The reseller can then request a split payment mechanism from the website of the distributor, which will connect the reseller to the program manager website. At the program manager website, the reseller is presented with a web based split payment form that the

merchant completes by identifying the goods and services to be purchased and the price and terms that the distributor is charging for the goods and services. The split payment form also identifies the terms and conditions that the merchant is charging their customer for the identified goods, as well as the identity and email address or other information about the merchant's customer. The form then requests the reseller to complete an electronic signature authorization to pay the distributor a defined amount. An amount to be paid to the reseller is also defined. These data are used by the program manager if the loan is approved and funded for the distribution of loan proceeds.

[0078] The program manager captures these data into systems utilized by embodiments of the invention, which can then send an email to the reseller's customer with a user name and password together with a hyperlink to a credit application provided by the program manager. The URL embedded in the hyperlink and sent to the reseller's customer contains an address to a specific computer file that has used the information from the split payment mechanism and has pre-populated the credit application with the loan applicant's name, the loan amount and the goods and services to be purchased and their terms.

[0079] Continuing with this exemplary split payment mechanism, if the loan is approved through the system in this embodiment of the invention provided by the program manager, then the reseller and distributor will be notified electronically that pending funds are awaiting their approval. The distributor can view a list of the products and services to be financed with the loan, and the amount of funds being allocated by the reseller for the purchase at the website of the program manager. The distributor can also then verify that the funds are sufficient, and either approve the split payment terms or modify them. If modified, the reseller is notified electronically of the modification and must either approve or decline the modification. If declined, the loan will not be funded until the conflict has been resolved. If approved, at the time of funding the distributor will be sent to the designated funds upon verification having first been received that the distributor has provided the goods and services to

the reseller or the customer of the reseller. The reseller will also be sent those funds attributable to the reseller's portion of the loan proceeds.

[0080] Of course, many levels of rules can be built into the identity and security screening process to facilitate program initiatives of both lenders and merchants. Various embodiments of the invention may therefore incorporate multiple modifications to the identity and security screening process. However, in accordance with the invention, these modifications are implemented with rules that do not violate existing rules established for a loan securitization pool. Of course, the rules cannot violate existing rules established for a non-qualified loan securitization pool either. However, it is anticipated as being within the scope of the invention for a set of rules to be established that could take an otherwise unqualified loan for a loan securitization pool and, by applying the rules set regarding, for example, a distribution of payments, make the loan a qualified loan.

[0081] Regardless of how a credit applicant obtains a credit application, once the credit application is accessed, a third layer of rules **124** is provided by the program manager. This third credit application rules layer **124** is employed by a computer processor **126** to determine whether the loan is eligible for inclusion in any of the loan securitization pools or non-qualified loan securitization pools. This includes, but is not limited to, determining whether the loan amount is sufficient to meet the loan eligibility requirement criteria, the jurisdiction of the applicant is compatible with a lender's charter, licenses and permits, the electronic identity score of the applicant meets the program standards, the loan applicant meets the credit criteria standards of the loan package, the loan is for a product approved for inclusion in the loan securitization pool, the loan has a term that matches the minimum requirements of the loan securitization pool, or if the merchant or manufacturer is an approved merchant of the loan securitization pool. It will be readily apparent to those skilled in the art how to program the program manager to implement such rules for determining the eligibility of a loan for a loan securitization pool and allowing only qualified loans to be allocated to the loan securitization pool.

[0082] In accordance with the invention, rules implemented by various embodiments of the invention are designed to ensure that a loan will always be assigned to a loan securitization pool if eligible, even though the loan may also qualify for a non-qualified loan securitization pool The credit application rules process **124** is divided into two sequential process: the initial filter process **128** and the secondary filter process **130**.

[0083] During the initial filter process **128**, a software filter analyzes data based upon the information included on the application and from other databases without utilizing a credit bureau report. As is well known in the art, credit bureau reports are provided by credit reporting agencies, and can be generated for either businesses or individuals. Numerous federal and state statutes, rules and regulations regarding the use of such reports must be followed when they are used. The initial filter process **128** takes place over the web in a real time mode, such that upon data being entered into a data field in the credit application, the data are captured by the program manager. Once data are so captured, rules are applied to the data.

[0084] Collected data are saved in a computer file that is dedicated to the applicant. The initial filter **128** is to determine, at block **132**, whether the applicant can meet the minimum requirements for any of the offered programs by any of the participating lenders. This screen, when presented to the customer, could include data fields related to factors such as the age of the applicant, the residence or nationality of the applicant, the acceptability of the products or services to available lenders, and the like. The initial filter **128** also performs a preliminary identity fraud screening **134**. Information obtained from the credit application can be compared to data that are stored in databases of third parties such as a social security database, drivers license databases, phone number and address databases, and the like. The program manager can compare the data to ensure that it matches the data stored in the third party databases. At the conclusion of the initial filter process **128**, applications that pass are submitted to a secondary filter process **130**.

[0085] The secondary filter process **130** is designed to operate under system rules that provide for assignment of a credit application to a specific lender. The

rotating lender selection method **136**, in an exemplary embodiment invention, allows each lender subscribing to a loan securitization pool to which a loan application has been allocated to be assigned the credit application. Specifically, the selection of a lender is based upon a "round robin" process. The process involves formulating an ordered list **138** of all subscribing lenders, ranging from the lender who was least recently assigned a credit application to the lender who was most recently assigned a credit application. Once the lender in the first position on the ordered list **138** has received and accepted a credit applicant, that lender rotates to the bottom position on the list. The ordered list **138** of lenders that is used for the rotating selection process **136** is also determined according to a set of rules created by the program manager. The program manager can qualify lenders for participation in various loan securitization pools. The program manager can also qualify lenders for non-qualified loan securitization pools. The rules are applied as the credit application is being completed by a customer.

[0086] After the credit application has been completed, the program rules determine for which loan securitization pools the credit applicant is eligible. Based upon rules, there will be a preference as to which qualified loan securitization pool will be selected, should the credit applicant be eligible for multiple loan securitization pools. Once the specific loan securitization pool has been selected by the rules, then all subscribing lenders to the loan securitization pool will be placed into the ordered list **138**.

[0087] The lender selection process includes selecting a single lender from a list of multiple lenders based upon a rotating approach to allow a single lender to present a credit offer to the applicant. The program initially looks at the ordered list **138** and determines which lender is next in line to receive a loan or credit application. Upon determining the selected lender, the secondary filter **130** continues by determining the credit worthiness of the applicant

[0088] Each loan securitization pool has a set of loan eligibility requirements related to the credit worthiness of credit applicants. These rules utilize data supplied by a credit reporting agency as well as data supplied by the credit application in their

functionality to determine the applicant's credit worthiness. This process is performed by a credit decision engine **140** within secondary filter **130**. Credit decision engine **140** is a software program that retrieves data from a credit report and from a credit application, and analyzes these data based upon the pre-defined set of rules. Each credit reporting agency provides different data, so credit decision engine **140** must be programmed to support all possible data types. An exemplary method for providing such flexibility in credit decision engine **140** is to allow the credit decision engine **140** to determine which credit agency to request a report from, and which report type of the agency to use.

[0089] After the correct agency report is identified, the rules of the credit decision engine **140** determine which data from the credit agency report and the credit application are to be utilized for purposes of determining credit worthiness of the applicant. As will be recognized by those skilled in the art, numerous methods may be employed to generate such a decision. The rules are implemented sequentially according to their arrangements within the credit decision engine **140** as multiple tiers.

[0090] The program manager is also programmed to follow federal and state lending legislation, rules and procedures when generating credit decision rules. Also, when selecting a subscribing lender to whom a loan application will be offered for review, separate rotating decision processes may be utilized for loan securitization pools and non-qualified loan securitization pools. The program manager will also follow contractual guidelines for a lender in determining the volume of loans the lender is willing to accept.

[0091] The credit decision engine process employed by **140** preferably takes less than 100 seconds to generate a firm credit offer to an online applicant. Those skilled in the art will readily recognize that the rules and processes described herein may be performed by a software program capable of being executed in that amount of time.

[0092] FIG. 2 illustrates a network relationship between credit applicants, merchants, lenders, credit bureaus and other entities involved in the systems and

methods employed by embodiments of the invention. As described above, the web **200** is the primary communication medium between the various parties that participate in the systems and methods. These parties include credit applicants accessing systems employed by embodiments of the invention via computer **202** and credit applicants accessing systems of the invention via other remote devices such as mobile forms **204**. Other parties include merchants **206**, manufacturers **208**, credit bureaus **210**, lenders **212**, customer care centers **214**, certification authorities **216** and remote offsite storage providers **218**. Systems employed by exemplary embodiments of the invention utilize a credit processors **220** to generate credit decisions for applicants utilizing methods employed by the various embodiments of the invention as described above. Credit processor thereby utilizes contract forms libraries **222** for generating loan contracts to provide to applicants, merchant web hosts **224** for receiving information on credit applicants and the products they are financing, data storage units **226** for retrieving captured credit applications provided by the applicants, loan syndication rule books **228** and lender rule books **230** for determining which, from among a plurality of available loans an applicant may be offered, and warranty data **232**. Upon generation of a credit decision, the decision is generated to the applicant **202** and **204** via the Internet **202**, and recorded in a notice log **234**. If the applicant is accepted, loan settlement processor **238** functions to settle the loan with the applicant, and data storage unit **288** is used to store completed contracts.

[0093] FIG. 3 illustrates a first exemplary computer input screen for receiving information from a credit application into a computerized system for performing methods in accordance with the invention. In the exemplary input screen, a loan identification number **300** is reported, with a product description **302** that informs the program manager of product description information for purposes of determining eligibility for an loan securitization pool as described above. Loan features **304** are also provided and may include, for example, the amount of the loan, the repayment term, and a category for the use of the funds. Business information **306** about the merchant is also reported, and the data requested therein is utilized in the credit

decision process as described above. Additional merchant information includes business contact information **308** and business addresses **310**. Finally, this computer screen requests banking information **312** of the merchant to whom the loan funds will be disbursed.

[0094] FIG. 4 illustrates a second exemplary computer input screen for receiving information from a credit application into a computerized system for performing methods in an embodiment of the invention. As in the previous exemplary computer input screen, the loan identification **400** is reported. In the case that the applicant is a business, information about the primary business owner **402** is requested, along with address information **404**.

[0095] As part of the rules that may be included with a loan securitization pool, there may be the requirement that the credit applicant have a digital signature or complete some online identity process that can be insured for identity fraud protection. If this requirement is in place within a system or method utilized by an embodiment of the invention, then upon acceptance of the terms and conditions offered by the lender, the applicant's identity and credentials will be verified electronically and the integrity of the documents will be verified electronically. Such verification will provide the basis for a business process that will insure the identity of the signer and the integrity of the documents. Upon such verifications, the methods of this embodiment of the invention will operate to combine the necessary documents such that the combined documents constitute a negotiable instrument under the traditional definitions established in the Uniform Commercial Code, as well as satisfy international standards for negotiability.

[0096] FIG. 5 illustrates an exemplary digital signature enrollment process that may be utilized with systems and methods utilized in an embodiment of the invention. As described above, at certain stages in the methods, digital signatures and digital verification may be utilized to complete lending processes. An exemplary process for establishing and providing such verification is illustrated in FIG. 5. First, at block **500**, some exemplary methods may include promotion procedures for directing resellers to sales teams of distributors. Then, the distributor, at block **502**, employs methods

according to various embodiments of the invention including a credit decision engine to determine whether the reseller is qualified for an available loan program, provides an overview of the program to the reseller, and, in some cases, may forward an e-mail to the reseller having program application documents attached. At block **504**, the reseller completes a digital signature authorization document, has it notarized and returns the document along with an application fee, should it be required. At block **506**, a certification authority receives the signed and notarized digital signature authorization document. Next, at block **508**, the entity employing the program manager receives the notarized documents. The program manager acts to validate that the reseller was approved by the distributor, for example by determining whether an e-mail was received in block **502** as described above, for the reseller submitting the application. Next, in block **510**, the program manager sends a universal serial bus (USB) key to the reseller along with an instruction manual. Then, in block **512**, the reseller receives the USB key and downloads the digital signature onto the USB key. Finally, at block **514**, the reseller uses the USB key, logs into the program manager website and is presented with a split invoice screen, as described above, after authentication. The USB key is then used to sign the completed application. Of course, it will be recognized by those skilled in the art that this is one exemplary authentication method, and that other well-known methods for digital authentication and verification may be readily employed with the systems and methods of various embodiments of the invention, and are considered to be within the scope of the invention.

[0097] FIG. 6 illustrates an exemplary computer information screen indicating to a credit applicant that a credit application is being processed in an embodiment of the invention. Although the exemplary screen indicates at **600** that the application will be processed in 30 seconds, this amount of time will vary from system to system. As described above, the processing time is preferably less than 100 seconds.

[0098] FIG. 7 illustrates a communication system diagram describing communications relationships between lenders, merchants, applicants and other entities involved in the systems and methods employed by various embodiments of

the invention. Applicants **700** interact with merchants **702** and manufacturers **704**, as well as with distributors, as described above. Entry points into the systems and methods may include a broker or phone center **706**, or a website or point of sale interface, as described above. A systems processor and loan program manager **708** provides the main functionality of systems and methods, as described herein. Through the systems processor and loan program manager **708**, the various participating entities interface with one another, and credit decisions are generated and processed. In addition to applicants, merchants and manufacturers, such entities include banks **710**, finance companies **712** and other lending sources. The credit decision engine described above communicates with such entities as a product warranty provider **714**, a certification authority **716**, an offsite data storage provider **718** and an offsite customer care center **720**, among others. Upon approval, the methods employed by exemplary embodiments of the invention may employ Wall Street syndicators **722** and a software syndication manager **724** to finalize the loan. Finally, loan settlement and service center **726** is employed to make the final loan offer to the approved applicant.

[0099] In addition to the functionality of various aspects of the invention described above, exemplary methods allow for the credit applicant to review the proposed loan documents online after the application has been accepted. An acceptance notification may be communicated to the applicant via a computer notification screen, as illustrated in FIG. 8 at **800**. Terms of the offered loan are also reported to the applicant, at **802**. These terms may be accepted at box **804** or rejected at box **806**.

[00100] As illustrated in FIG. 9, The applicant can then review the details of the loan agreement, by clicking on a link **902** to the details. The applicant may also review a security agreement **904**, or other loan agreements that are provided by systems and methods in accordance with the invention. Once the credit applicant has reviewed the documents, they may approve or decline them either online by employing an electronic signature, or on paper by downloading and printing forms that are then signed and forwarded by mail.

[00101] In the event that a credit application is declined for both the loan securitization pools and the non-qualified loan securitization pools, the credit applicant is notified online of the decline notification. As illustrated in FIG. 10, the applicant may be advised that either their credit application will be manually reviewed by lenders in the program, or, if the credit application does not meet any of the minimum criteria for any of the manual non-qualified loan securitization pools, the applicant will be provided an online declination notice as illustrated in FIG. 11 at note **1100**, and a written notice if required by federal or state legislation, rules and regulations.

[00102] FIGS. 12-17 illustrate an exemplary system in an embodiment of the invention as applied in an online merchant environment. The steps illustrated in FIGS. 12-17 are an exemplary combination of steps for performing the processes described above. At block **1200**, a customer visits a merchant or manufacturer website and selects an item for purchase by placing it in his online shopping cart. At decision block **1202**, the consumer decides whether or not to finance the purchase. If no, then the consumer either pays with an existing credit card, mails a check, uses a debit card, electronic check or abandons the purchase, as indicated at block **1204**. Otherwise, the website captures the shopping cart invoice as indicated at block **1206**. At block **1208**, the applicant is redirected to the merchant's credit site, hosted at the program manager website. Then, at block **1210**, the program manager captures the invoice data, which is then stored in a credit application database and assigned to a unique customer identifier, at block **1212**. At block **1214**, invoice data is extracted and merged with a blank program manager generic credit application form. At block **1216**, the applicant is presented with a partially completed credit application that the program manager populated with invoice data, and lenders participating in a loan securitization pool are disclosed to the applicant. At block **1218**, the customer inputs data into the credit application, through fields on a web hosted application or form. At block **1220**, the program manager verifies each customer-submitted screen of application input data for completeness. Where areas are incomplete, they are highlighted and re-presented to the customer for completion as indicated at block

1222. Once complete, the next credit application screen is displayed as indicated at block **1224**, and this process continues until the completed credit application is processed and the data field information is extracted and analyzed by the program manager, at block **1226**. At block **1228**, the credit application data is stored in completed application database storage under the previously assigned unique customer identification number.

[00103] At block **1300**, an entry is made in a completed application log, and then at block **1302**, the credit application is analyzed to determine which of the customer selected products being financed have warranties. A warranty decision is generated at block **1304**. If no warranties are available, no further warranty action is required, as indicated at block **1306**. Otherwise, warranty costs are pulled from the warranty database to match the product identification numbers, as indicated at block **1308**. Then, at block **1310**, the cost of warranties are added to invoice data in the credit application database to be displayed as an option at the time that a credit offer is displayed, should the application ultimately be approved. At that point, as indicated at block **1312**, no further warranty action is required.

[00104] At block **1314**, the program manager captures and analyzes the credit application information, and runs the initial filter process, including fraud and identity filters, as described above. An initial filter decision is made at block **1316**. If the applicant fails the initial filter process as indicated at block **1318**, the applicant may be notified on screen of his inability to qualify for credit. The applicant may then be given an option to download and print the declination letter, at block **1320**, and if the letter is not printed or downloaded, as indicated at block **1324**, then an entry is made into a declination log at block **1326**. Similarly, a lender specific declination letter may be displayed on screen for the applicant at block **1322**, and an entry made into the declination log at block **1326**. In either case, the declination letter is printed and mailed to the applicant at block **1328**.

[00105] If, on the other hand, the applicant passes the initial filter process, then a credit bureau report is requested, based upon the jurisdiction of the applicant, as indicated at block **1330**. At block **1332**, the report is received and analyzed, and the

credit decision engine processes a decision at block **1338**. Also, the report is stored in a database under the unique customer identification number, at block **1334**. In that case, no further action is required, as indicated at block **1336**.

[00106] In the case that the credit decision engine is processing a decision, however, the next step employed by systems and methods in accordance with the invention is for a lender to be selected according to a rotating decision process, indicated at block **1400**. If no lender will accept the application for automatic approval, then, at block **1402**, the application is sent to the first lender in the ordered list, compiled as described above, for a manual review process. The manual review is initiated at block **1404**, and a message is displayed at block **1406** that the credit application is under manual review, and advising the applicant to remain online for an impeding decision. A decision is generated at block **1408**. If the decision is negative, the customer is added to the declination log at block **1410**, and a declination letter is printed and mailed at block **1412**. If, however, the decision is affirmative, credit terms for the approved loan are considered at block **1424**. Similarly, if a lender does accept an application under its automatic review process in the rotating selection method at block **1400**, the credit terms and type of contract are determined to include warranty options, if appropriate, at block **1414**. Next, at block **1416**, a credit offer in abbreviated form is displayed on the screen for the applicant to review, along with warranty options. A decision to accept or reject the credit offer is made by the applicant at block **1418**. If the applicant rejects, the rejection is stored in an application log database at block **1420**, and no further action is required, as indicated at block **1422**. Otherwise, the process returns to block **1424**, in which account information is requested form the applicant if the credit terms include automatic withdrawal from the applicant's personal banking account. Then, at block **1426**, the personal account information is verified.

[00107] Continuing with FIG. 15, the program manager determines whether the personal account information is correct at block **1500**. If no, then the applicant is notified at block **1502** that the information is not confirmed, and is requested to check and resubmit the information. The customer resubmits the information at block **1504**,

and the verification procedure is repeated. If the verification is not successful on the second attempt, at block **1506**, then the lender has the option, at block **1508**, to decline immediately or proceed. If the lender chooses to decline, a declination letter is printed and mailed to the applicant at block **1510**, the declination is added to the log at block **1512**, and no further action is required, as indicated at block **1514**. Otherwise, if the lender chooses to proceed without verifying the customer's personal account information, as indicated at arrow **1516**, the process continues with an affirmative response to the decision made at block **1500**. A second identity fraud screen is then run at block **1518**, and a determination is made at block **1520**. If the applicant passes the second identity fraud screen, identity questions are generated at block **1522**, and are displayed to the applicant at block **1524**. The credit applicant enters answers at block **1526**, and the program managers analyzes and scores the answers at block **1528**. It is then considered, at block **1532**, whether the identity score generated at block **1528**, meets standards employed by the program manager. If no, the lender has multiple options, as indicated at block **1534** and described in FIG. 16. Otherwise, the lender follows a different path, also described with reference to FIG. 16.

[00108] At block **1600**, the lender faces four distinct options. At block **1602**, the loan applicant can be given notice that an identification cannot be established and that the application is unable to proceed. The applicant is then presented with instructions for activating a hyperlink to a certification authority to generate or establish a valid identification. The customer is added to the declination log, with a notation that the reason for declination was that an identification could not be established. A declination letter is also printed and mailed, as indicated at block **1606**. The second option for the lender is to give the applicant notice, at block **1608**, of the inability to establish an identification, and to give the applicant the ability to download and print the application with identity confirmation to be provided by a notary and mailed to a processing center. The customer is still added to the declination log, with a notation that an identification could not be generated, as indicated at block **1610**, and a declination letter is printed and mailed at block **1606**.

The third option for the lender is to automatically add the customer to the declination log with a notation that an identification number could not be established, at block **1604**, and print and mail a declination letter at block **1606**. Finally, the lender has the option of sending the application for manual review, at block **1612**. In this case, the process proceeds to block **1614**, which is the same point in the process that picks up from block **1532** of FIG. 15.

[00109] At block **1614**, credit contract forms are pulled from a forms library, with consideration given to the applicant's jurisdiction. Then, at block **1616**, a contract is populated with data retrieved by the program manager from the customer application database. A signature decision is made at block **1618**. As a result of this decision, the lender may require a wet signature at block **1620**, in which case the contract must be printed, signed, and mailed with return service. Or, the lender may send a request to a certification authority for a digital signature, at block **1622**, and the certification authority would process the request at block **1624**. If the request is denied, then a denial of the request is logged in the credit application with a notation of the reason for denial, at block **1628**. Otherwise, if the request is granted, the process proceeds with steps illustrated in FIG. 17, as indicated at arrow **1630**. Similarly, the lender may resolve the signature decision at block **1618** by presenting a contract to the applicant online, at block **1632**, with a double click option to activate, in which case, as indicated at arrow **1634**, the process proceeds with steps illustrated in FIG. 17.

[00110] In the event that the digital signature request is approved, a digital signature is generated by the certificate authority at block **1700**, and an issuance with a customer identification number is logged at block **1702**. Also, the certificate is attached to the loan contract at block **1704**, and the contract with signature is presented to the applicant at block **1705**. At this point, the process continues with the steps encountered in the scenario described above, where the customer is presented a contract with a double click option. At block **1706**, the applicant accepts or declines the offered loan contract, making a decision at block **1708**. If the applicant chooses to decline, a rejection of the offer is logged in the credit application database and rejection by customer is annotated. Otherwise, if the applicant accepts the double

click version of the contract, the accepted contract with the double click signature is received by the program manager at block **1712**, and the contract is stored with the verified signature in the completed contract database, and logged into the lender database with the customer identification number at block **1714**. Similarly, if the contract is accepted with a digital signature, the accepted contract and digital signature are received at block **1720**, and the digital signature is submitted for verification with a certification authority, at block **1724**. If the signature can be verified at block **1726**, then the contract is stored and logged at block **1714**, and the contract is sent to loan settlement at block **1716** before the process is terminated at block **1718**. Otherwise, if the digital signature verification failed, as indicated at block **1728**, a customer care center associated with the program manager is sent notice of failure with directions to contact the customer and the certification authority to determine the cause of failure. The customer care center queries whether the customer wants a contract, at block **1732**. If not, then at block **1734** the rejection is logged in the credit application database with an annotation about the rejection. Otherwise, at block **1736** the contract is printed and mailed to customer care, the mailing is logged in the credit application database at block **1738**, and the process is terminated, at block **1718**.

[00111] In addition to providing rules for establishing a loan securitization pool, the securitization manager must provide software for monitoring constituent loans of a loan securitization pool to determine whether the loans continue to meet the minimum requirements of the loan securitization pool prior to its securitization. For example, a loan initially having a first set of loan features such that it is qualified for the loan securitization pool to which it is allocated, may undergo a change in loan features. For example, the loan amount may decrease as its balance is repaid, or the borrower may fail to make payments and cause the loan to enter default. The securitization manager is programmed to detect such changes in loan features, identify the second, changed set of loan features, and determine whether they are in accordance with the loan eligibility requirements of the loan securitization pool to which the loan is allocated. If the securitization manager determines that the loan is no longer qualified for the loan securitization pool, it searches for a loan securitization

pool for which the loan, with its new, second set of loan features, is still qualified. If a second loan securitization pool is identified, the loan is re-allocated to the second loan securitization pool. This functionality of the securitization manager prevents lenders from having to carry such loans on their books when they happen to fall out of the loan securitization pool to which they were originally allocated.

[00112] The securitization manager is also programmed to establish a process supported by verifiable standards that provides an electronic process for rating the negotiability of the loan securitization pool. The process would further provide a stated value for the loan securitization pool based upon the negotiability rating and the assigned warranties, if any. The process would further provide an electronic forum where identified and approved traders could buy, sell and trade an interest in the loan securitization pools. This process would be made available to any trade transaction based upon a rule book established by the securitization manager, and expands the range of opportunities for lenders to convert their loan portfolios to cash.

[00113] While the specification describes particular embodiments of the present invention, those of ordinary skill can devise variations of the present invention without departing from the inventive concept.

WE CLAIM:

1. A method for establishing a loan securitization pool, comprising:

a) entering a plurality of eligibility requirements for the loan securitization pool in a computer system;

b) entering the features of a loan in the computer system; and

c) allocating the loan to the securitization pool if and only if the characteristics match the loan eligibility requirements.

2. The method of claim 1, further comprising:

a) querying data storage to identify a loan that meets the defined loan eligibility requirements;

b) allocating the loan to the loan securitization pool; and

c) increasing the balance of the loan securitization pool to reflect an additional amount contributed to the loan securitization pool by the allocated loan.

3. The method of claim 1 wherein the loan eligibility requirement comprises a loan repayment term.

4. The method of claim 1 wherein the loan eligibility requirement comprises a loan interest rate.

5. The method of claim 1 wherein the loan eligibility requirement comprises a loan classification indicating a loan type of revolving credit.

6. The method of claim 1 wherein the loan eligibility requirement comprises a loan classification indicating an installment loan type of installment.

7. The method of claim 1 wherein the loan eligibility requirement comprises a loan category classification indicating the type of product that is financed by the loan.

8. A method for establishing a buy-out guarantee for a loan securitization pool, comprising:

a) entering in a computing system a buy-out amount for which a broker will securitize constituent loans of a loan securitization pool;

b) entering in the computing system a maturity amount for the loan securitization pool, the maturity amount being at least equal to the determined buy-out amount;

c) using the computing system to track the balance of the loan securitization pool as loans are allocated to the loan securitization pool; and

d) using the computing system to generate a notification when the balance of the loan securitization pool reaches the maturity amount.

9. A method for establishing a common conduit of lenders, comprising:

a) determining a loan rule that is followed by a first lender;

b) querying data storage to identify a second lender that follows the identified loan rule; and

c) using a computing system to group the first lender and the second lender into the common conduit of lenders.

10. The method of claim 9, further comprising:

a) querying data storage to identify a loan securitization pool wherein only loans having a feature consistent with the identified loan rule may

be allocated to the loan securitization pool, and wherein each lender in the common conduit of lenders is a member lender of the loan securitization pool.

11. The method of claim 10, wherein an application for a loan that satisfies the identified loan rule is offered for credit review to a member lender of the loan securitization pool.

12. The method of claim 10, wherein a loan secured by any member lender of the common conduit of lenders is allocated to the loan securitization pool.

13. A system for establishing a loan securitization pool, comprising:

a) an input device for entering a plurality of eligibility requirements for the loan securitization pool in a computer system;

b) the input device also for entering the features of a loan in the computer system; and

c) a computer processor, operatively connected to the input device and configured to:

(1) retrieve the entered loan eligibility requirement;

(2) retrieve the received loan application and determine the included loan feature; and

(3) allow only applications for loans including a loan feature that satisfies the defined loan eligibility requirement to be allocated to the loan securitization pool.

14. Computer-readable media containing instructions executable by a computer that, when loaded and executed on a computer, performs a method of establishing a loan securitization pool, including:

a) receiving a loan eligibility requirement for the loan securitization pool; and

b) allowing only loans meeting the defined loan eligibility requirement to be qualified for allocation to the loan securitization pool.

15. The computer-readable media of claim 14, wherein the instructions, when loaded and executed on a computer, additionally cause the following to be performed:

a) querying data storage to identify a loan that meets the defined loan eligibility requirement;

b) allocating the loan to the loan securitization pool; and

c) increasing the balance of the loan securitization pool to reflect an additional amount contributed to the loan securitization pool by the allocated loan.

16. Computer-readable media containing instructions executable by a computer that, when loaded and executed on a computer, performs a method of establishing a loan securitization pool, including:

a) identifying a loan that meets the defined loan eligibility requirement;

b) allocating the loan to the loan securitization pool; and

c) increasing the balance of the loan securitization pool to reflect the amount of the allocated loan.

17. Computer-readable media containing instructions executable by a computer that, when loaded and executed on a computer, performs a method of establishing a buy-out guarantee for a loan securitization pool, including:

a) receiving a buy-out amount for which a broker will purchase constituent loans of a loan securitization pool;

b) calculating a maturity amount for the loan securitization pool, the maturity amount being at least equal to the received buy-out amount;

tracking the balance of the loan securitization pool as loans are allocated to the loan securitization pool; and

c) determining when the balance of the loan securitization pool reaches the maturity amount.

18. Computer-readable media containing instructions executable by a computer that, when loaded and executed on a computer, performs a method of establishing a common conduit of lenders, including:

a) determining a loan rule that is followed by a first lender;

b) querying data storage to identify a second lender that follows the identified loan rule; and

c) grouping the first lender and the second lender into the common conduit of lenders.

19. The computer-readable media of claim 18, which, when loaded and executed on a computer, additionally causes the following to be performed:

a) querying data storage to identify a loan securitization pool wherein only loans having a feature consistent with the identified loan rule may

be allocated to the loan securitization pool, and wherein each lender in the common conduit of lenders is a member lender of the loan securitization pool.

20. The computer-readable media of claim 18, which, when loaded and executed on a computer, additionally causes the following to be performed:

a) a loan application is considered and its loan features are determined;

b) the determined loan features are compared with the identified loan rule; and

c) if the loan application satisfies the identified loan rule, offering the loan application for credit review to a member lender of the loan securitization pool

21. The computer-readable media of claim 18, which, when loaded and executed on a computer, additionally causes the following to be performed:

a) allocating a loan made by any member lender of the common conduit of lenders to the loan securitization pool.

22. A method of managing a loan securitization pool that has one or more loans, each with features that meet all loan eligibility requirements for that pool, comprising:

a) receiving information indicative of a change in the features of a loan in one of the pools;

b) determining whether the changed feature causes the loan to no longer meet all of the loan eligibility requirements for the pool to which it has been allocated; and, if so,

c) removing the loan from the pool to which it had been allocated.

23. The method of claim 22, further comprising re-allocating the removed loan to a different loan securitization pool if the changed loan features meet all loan eligibility requirements for the different pool.

24. A method of managing multiple loan securitization pools, comprising:

a) entering loan features for a loan into a computerized system;

b) querying a storage system to determine loan eligibility requirement factors for each of a plurality of loan securitization pools;

c) from the plurality of loan securitization pools, identifying a first loan securitization pool for which the loan is qualified based on the entered loan features and on the determined loan eligibility requirement factors for the first loan securitization pool;

d) allocating the loan to the first loan securitization pool; and

e) identifying a second loan securitization pool for which the loan is qualified based on the entered loan features and on the determined loan eligibility requirement factors for the second loan securitization pool.

25. The method of claim 24, further comprising re-allocating the loan to the second loan securitization pool.

26. The method of claim 24 wherein the loan eligibility requirement factors comprise a loan repayment term.

27. The method of claim 24 wherein the loan eligibility requirement factors comprise a loan interest rate.

28. The method of claim 24 wherein the loan eligibility requirement factors comprise a loan classification indicating a loan type of revolving credit.

29. The method of claim 24 wherein the loan eligibility requirement factors comprise a loan classification indicating an installment loan type of installment.

30. The method of claim 24 wherein the loan eligibility requirement factors comprise a loan classification indicating the type of product that is financed by the loan.

31. A method of managing multiple loan securitization pools, comprising:

a) allocating a loan to a first loan securitization pool for which it is qualified based on an initial set of loan features and on loan eligibility requirement factors for the first loan securitization pool;

b) determining a second set of loan features if the loan becomes disqualified from the first loan securitization pool;

c) identifying a second loan securitization pool for which the loan is qualified based on the second set of loan features and on loan eligibility requirement factors for the second loan securitization pool; and

d) re-allocating the loan to the second loan securitization pool.

32. The method of claim 31 wherein the loan eligibility requirement factors comprise a loan repayment term.

33. The method of claim 31 wherein the loan eligibility requirement factors comprise a loan interest rate.

34. The method of claim 31 wherein the loan eligibility requirement factors comprise a loan classification indicating a loan type of revolving credit.

35. The method of claim 31 wherein the loan eligibility requirement factors comprise a loan classification indicating a loan type of installment.

36. The method of claim 31 wherein the loan eligibility requirement factors comprise a loan classification indicating the type of product that is financed by the loan.

37. A system for managing multiple loan securitization pools, comprising:

a) an input device for entering loan features for a loan into a computerized system;

b) a storage system operatively connected to the input device and configured to store the entered loan features;

c) a processor operatively connected to the storage system and configured to determine loan eligibility requirement factors for each of a plurality of loan securitization pools;

d) the processor further configured to identify, from the plurality of loan securitization pools, a first loan securitization pool for which the loan is qualified based on the entered loan features and on the determined loan eligibility requirement factors for the first loan securitization pool;

e) the processor further configured to allocate the loan to the first loan securitization pool; and

f) the processor further configured to identify a second loan securitization pool for which the loan is qualified based on the entered loan features and on the determined loan eligibility requirement factors for the second loan securitization pool.

38. The system of claim 37, wherein the processor is further configured to re-allocate the loan to the second loan securitization pool.

39. The system of claim 37 wherein the loan eligibility requirement factors comprise at least one factor selected from the group consisting of: loan repayment term, loan interest rate, loan type of revolving credit, loan type of installment, and type of product financed by the loan.

40. A system for managing multiple loan securitization pools, comprising:

a) a processor for allocating a loan to a first loan securitization pool for which it is qualified based on an initial set of loan features and on loan eligibility requirement factors for the first loan securitization pool;

b) the processor further configured to determine a second set of loan features if the loan becomes disqualified from the first loan securitization pool;

c) a storage system for storing information about a plurality of loan securitization pools;

d) the processor further configured to query the storage system to determine loan eligibility requirement factors for a plurality of loan securitization pools;

e) the processor further configured to identify, from the plurality of loan securitization pools, a second loan securitization pool for which the loan is qualified based on the loan features and on loan eligibility requirement factors for the second loan securitization pool; and

f) the processor further configured to re-allocate the loan to the second loan securitization pool.

41. The system of claim 40 wherein the loan eligibility requirement factors comprise at least one factor selected from the group consisting of: loan repayment term, loan interest rate, loan type of revolving credit, loan type of installment, and type of product financed by the loan.

42. Computer-readable media containing instructions executable by a computer that, when loaded and executed on the computer, perform a method of managing multiple loan securitization pools, including:

a) receiving loan features for a loan into a computerized system;

b) querying a storage system to determine loan eligibility requirement factors for a plurality of loan securitization pools;

c) from the plurality of loan securitization pools, identifying a first loan securitization pool for which the loan is qualified based on the received loan features and on loan eligibility requirement factors for the first loan securitization pool;

d) allocating the loan to the first loan securitization pool; and

e) identifying a second loan securitization pool for which the loan is qualified based on the received loan features and on loan eligibility requirement factors for the second loan securitization pool.

43. The computer-readable media of claim 42 wherein the instructions, when loaded and executed on a computer, additionally cause the loan to be re-allocated to the second loan securitization pool.

44. The computer-readable media of claim 43 wherein the loan eligibility requirement factors comprise at least one factor selected from the group consisting of: loan repayment term, loan interest rate, loan type of revolving credit, loan type of installment, and type of product financed by the loan.

45. Computer-readable media containing instructions executable by a computer that, when loaded and executed on the computer, perform a method of managing multiple loan securitization pools, including:

a) allocating a loan to a first loan securitization pool for which it is qualified based on an initial set of loan features and on loan eligibility requirement factors for the first loan securitization pool;

b) determining a second set of loan features if the loan becomes disqualified from the first loan securitization pool;

c) querying a storage system to identify a second loan securitization pool for which the loan is qualified based on the second set of loan features and on loan eligibility requirement factors for the second loan securitization pool; and

d) re-allocating the loan to the second loan securitization pool.

46. The computer-readable media of claim 45 wherein the loan eligibility requirement factors comprise at least one factor selected from the group consisting of: loan repayment term, loan interest rate, loan type of revolving credit, loan type of installment, and type of product financed by the loan.

47. A method of selecting a lender for a loan application qualified for a common loan securitization pool, from a group of lenders subscribing to the common loan securitization pool, comprising:

a) querying data storage to identify subscribing lenders of the common loan securitization pool; and

b) using a computerized system to offer the loan application for review to a lender selected from among the subscribing lenders.

48. The method of claim 47, wherein the using a computerized system to offer the loan application for review to a lender selected from among the subscribing lenders comprises:

a) querying data storage to identify the most recent time that each of the subscribing lenders was offered a previous loan application;

b) constructing an ordered list of the subscribing lenders, ranging in order from a lender least recently offered a previous loan application to a lender most recently offered a previous loan application; and

c) offering the loan application for review to each lender on the ordered list, in the order in which the lenders appear on the ordered list, until an offered lender accepts the loan application.

49. The method of claim 47, wherein the selection of a lender from among the subscribing lenders comprises:

a) querying data storage to identify which of the subscribing lenders was least recently offered a previous loan application; and

b) selecting the identified least recently offered lender to be offered the loan application for review.

50. The method of claim 49, further comprising receiving a decision on the loan application from the selected lender.

51. The method of claim 50 wherein the decision on the loan application is generated by credit decision software operated by the selected lender.

52. The method of claim 51 wherein the decision on the loan application is a rejection, and wherein the selection of a lender from among the subscribing lenders further comprises:

a) identifying which of the remaining subscribing lenders was least recently offered a previous loan application; and

b) selecting the identified least recently offered lender to be offered the loan application.

53. The method of claim 52 wherein every subscribing lender is offered the loan application for review and each offered subscribing lender generates a rejection notification, and wherein the selection of a lender from among the subscribing lenders further comprises:

a) identifying which of the subscribing lenders was least recently offered a previous loan application; and

b) selecting the identified least recently offered lender to be offered the loan application for manual review.

54. A method of selecting a lender, from a group of lenders subscribing to a common loan securitization pool, for a new loan, comprising:

a) receiving into a computing system an application for a loan;

b) identifying loan features from the application;

c) determining a loan securitization pool for which the loan qualifies based on the loan features and loan eligibility requirement factors for loan securitization pools;

d) identifying subscribing lenders of the determined loan securitization pool; and

e) offering the loan application to a lender selected from among the subscribing lenders.

55. The method of claim 54, wherein the selection of a lender from among the subscribing lenders comprises:

a) identifying which of the subscribing lenders was least recently offered a previous loan application; and

b) selecting the identified least recently offered lender to be offered the loan application.

56. The method of claim 55, further comprising receiving a decision on the loan application from the selected lender.

57. The method of claim 56 wherein the decision on the loan application is generated by credit decision software operated by the selected lender.

58. The method of claim 57 wherein the decision on the loan application is a rejection, and wherein the selection of a lender from among the subscribing lenders further comprises:

a) identifying which of the remaining subscribing lenders was least recently offered a previous loan application; and

b) selecting the identified least recently offered lender to be offered the loan application.

59. The method of claim 58 wherein every subscribing lender is offered the loan application and each offered subscribing lender generates a rejection notification, and wherein the selection of a lender from among the subscribing lenders further comprises:

a) identifying which of the subscribing lenders was least recently offered a previous loan application; and

b) selecting the identified least recently offered lender to be offered the loan application for a manual credit review process.

60. A system for selecting a lender for a loan allocated to a common loan securitization pool, from a group of lenders subscribing to the common loan securitization pool, comprising:

a) an input device for entering loan application information;

b) a processor operatively connected to the input device and configured to identify the common loan securitization pool for which a loan described in the loan application information is qualified;

c) the processor further configured to identify subscribing lenders of the determined loan securitization pool; and

d) a communication device, operatively connected to the processor and to a computer system for offering the loan application to a lender selected from among the subscribing lenders.

61. Computer-readable media containing instructions executable by a computer that, when loaded and executed on a computer, cause a method of selecting a lender for a loan allocated to a common loan securitization pool, from a group of lenders subscribing to the common loan securitization pool to be performed, including:

a) querying data storage to identify subscribing lenders of the determined loan securitization pool; and

b) using a computerized system to offer the loan application for review to a lender selected from among the subscribing lenders.

62. The computer-readable media of claim 61, which, when loaded and executed on a computer, additionally causes the following to be performed:

a) querying data storage to identify the most recent time that each of the subscribing lenders was offered a previous loan application;

b) constructing an ordered list of the subscribing lenders, ranging in order from a lender least recently offered a previous loan application to a lender most recently offered a previous loan application; and

c) offering the loan application for review to each lender on the ordered list, in the order in which the lenders appear on the ordered list, until an offered lender accepts the loan application.

63. The computer-readable media of claim 61, which, when loaded and executed on a computer, additionally causes the following to be performed:

a) querying data storage to identify which of the subscribing lenders was least recently offered a previous loan application; and

b) selecting the identified least recently offered lender to be offered the loan application for review.

64. The computer-readable media of claim 63, which, when loaded and executed on a computer, additionally causes the computer to receive a decision on the loan application from the selected lender.

65. The computer-readable media of claim 64 wherein the received decision on the loan application is generated by credit decision software operated by the selected lender.

66. The computer-readable media of claim 65 wherein the decision on the loan application is a rejection, and which, when loaded and executed on a computer, additionally causes to following to be performed:

a) identifying which of the remaining subscribing lenders was least recently offered a previous loan application; and

b) selecting the identified least recently offered lender to be offered the loan application.

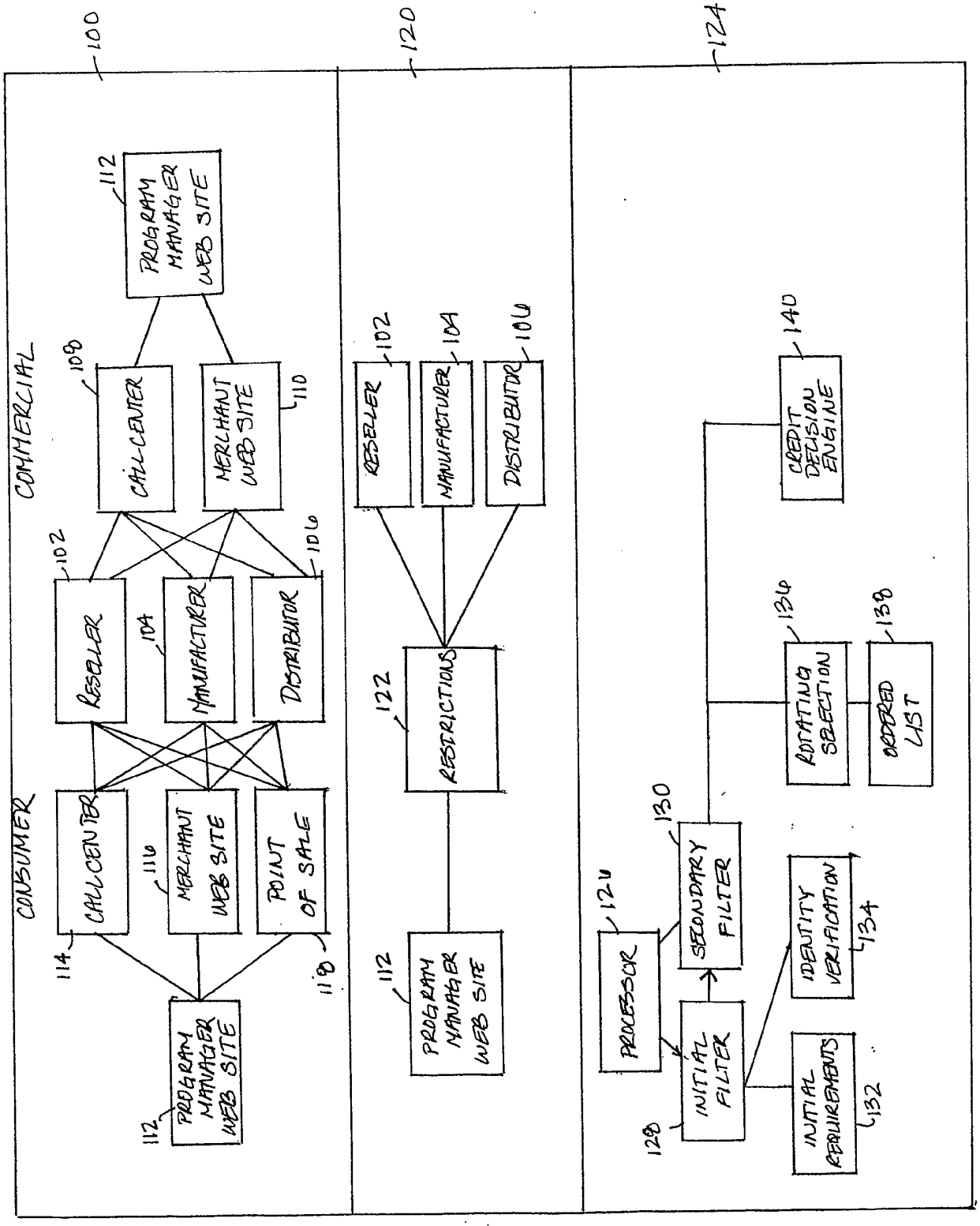
67. The computer-readable media of claim 66 wherein every subscribing lender is offered the loan application for review and each offered subscribing lender generates a rejection notification, and wherein the loading and execution of the

computer-readable media on a computer additionally causes the following to be performed:

a) identifying which of the subscribing lenders was least recently offered a previous loan application; and

b) selecting the identified least recently offered lender to be offered the loan application for manual review.

FIG. 1


100
120
124
COMMERCIAL
CONSUMER
PROGRAM MANAGER WEB SITE
112
CALL CENTER
108
MERCHANT WEB SITE
110
RESELLER
102
MANUFACTURER
104
DISTRIBUTOR
106
CALL CENTER
114
MERCHANT WEB SITE
116
POINT OF SALE
118
PROGRAM MANAGER WEB SITE
112
RESELLER
102
MANUFACTURER
104
DISTRIBUTOR
106
RESTRICTIONS
122
PROGRAM MANAGER WEB SITE
112
CREDIT DECISION ENGINE
140
ADAPTING SELECTION
136
ORDERED LIST
138
PROCESSOR
126
SECONDARY FILTER
130
INITIAL FILTER
128
IDENTITY VERIFICATION
134
INITIAL REQUIREMENTS
132

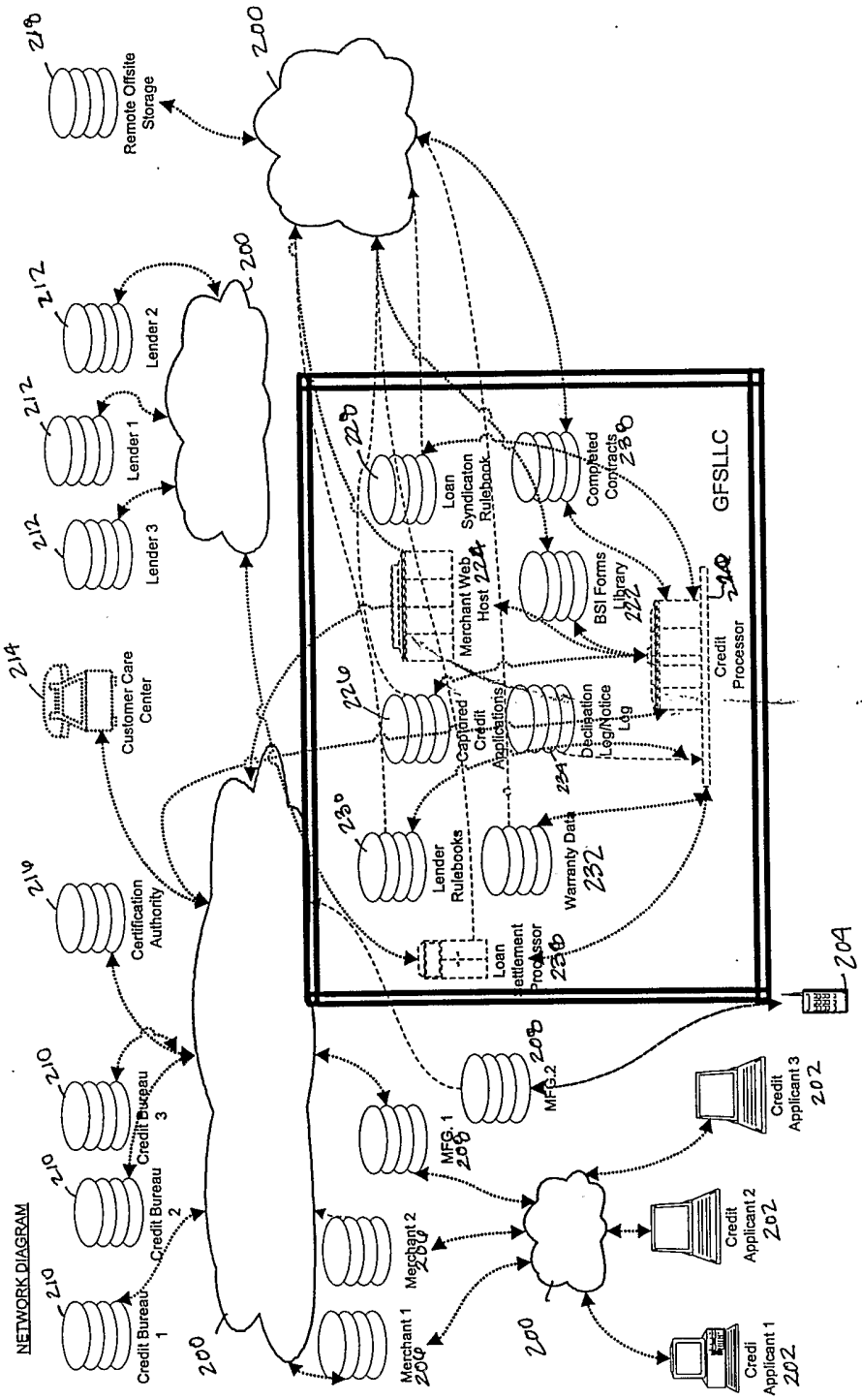

NETWORK DIAGRAM
Remote Offsite Storage
Lender 2
Lender 1
Lender 3
Customer Care Center
Certification Authority
Credit Bureau 3
Credit Bureau 2
Credit Bureau 1
Merchant 2
Merchant 1
MFG. 1
MFG. 2
Credit Applicant 3
Credit Applicant 2
Credi Applicant 1
GFSLLC
Loan Syndicaton Rulebook
Completed Contracts
Merchant Web Host
BSI Forms Library
Credit Processor
Captured Credit Applications
Declination Log/Notice Log
Lender Rulebooks
Warranty Data
Loan Settlement Processor
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FIG. 2

FIG. 3

Your Transaction Is Secure.
Transactions on the Gresham Network are protected by powerful Secure Sockets Layer (SSL) encryption technology (128 bit encryption), in standard use by major ecommerce web sites. SSL encrypts all of the information on the credit application before it is sent over the Gresham Network.

Our web security system requires that customers use a browser that supports at least 40 bit encryption -- Netscape Navigator (version 4.0 or higher), Microsoft Internet Explorer (version 4.0 or higher), or the AOL browser (version 4.0 or higher). The use of these browsers ensures that data is authenticated and encrypted as it's transmitted.

In the event that your application is interrupted or you have problems with the application please contact Gresham Financial Services, at 1-888-301-6005.

All fields in bold are required.

Loan Information

300 **Loan ID #**	2002300000736
302 **Product Description**	Computers
	Please be advised that $22.50 has been added to the loan amount to cover document preparation and mailing.
Amount of Loan	$10,000.00
304 **Repayment Term**	— (in months)
Use of Funds	—

Business Information

General

DBA Name	Jane Doe
Complete Legal Name	
306 **Federal Tax ID #**	-
Date Established	— /
Business Type	—
Annual Gross Sales/Rev.($)	
Products/Services Sold	

Business Contact Information

308 **Contact Name**	
Business Phone #	- -
Email Address	

Business Address

Street	
310 **City**	
State	—
Zip Code	
Time at Business Address	— (years) — (months)

Banking Information

312 **Bank Name**	
Checking Account #	
Customer Since (yr.)	
Bank Phone #	- -

Next Lobby

Business Ownership Information

400 Loan ID # 2002300000736

Primary Business Owner

402

First Name	
Middle Initial	
Last Name	
Job Title	
SSN	- -
Date of Birth	/ /
Email Address	
Percent Ownership	(whole numbers from 0-100)
Gross Monthly Income ($)	

Current Address

404

Street	
City	
State	
Zip Code	
Home Phone #	- -
Residence Status	
Time at Residence	(years) (months)

Previous Address (only if time at residence is less than 3 years)

Gresham

404

Street	
City	
State	
Zip Code	

Agreements/Signatures

The business named above ("applicant") certifies that all information provided is complete, true and correct and authorizes Gresham Financial Services, Inc. ("Gresham") to obtain credit reports on the applicant and the individual owners. The applicant agrees to comply with the terms and conditions of the Gresham loan agreement that will be sent to the applicant if the credit is approved. If this loan application is submitted to Gresham without the applicants signature, the salesperson and the retailer (a) represent to Gresham that the applicant has given full authorization to Gresham to obtain a credit agency report and (b) certify that all of the information herein is true and correct. Salesperson and retailer further defend, hold harmless and indemnify Gresham from any claims made by the applicant with respect to the credit agency report obtained by Gresham.

Next Lobby

FIG. 4

Digital Signature Enrollment Process

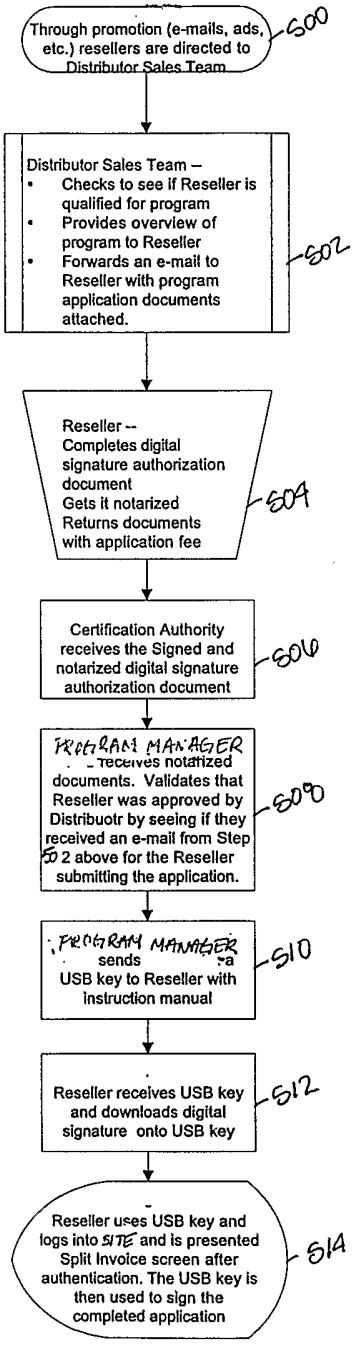

FIG. 5

Application Processing

600

Please wait for 30 seconds while we process your application...

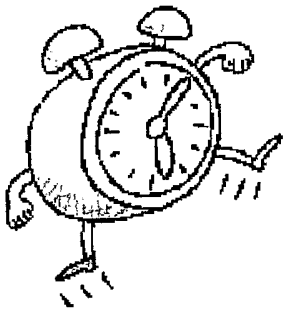

FIG. 6

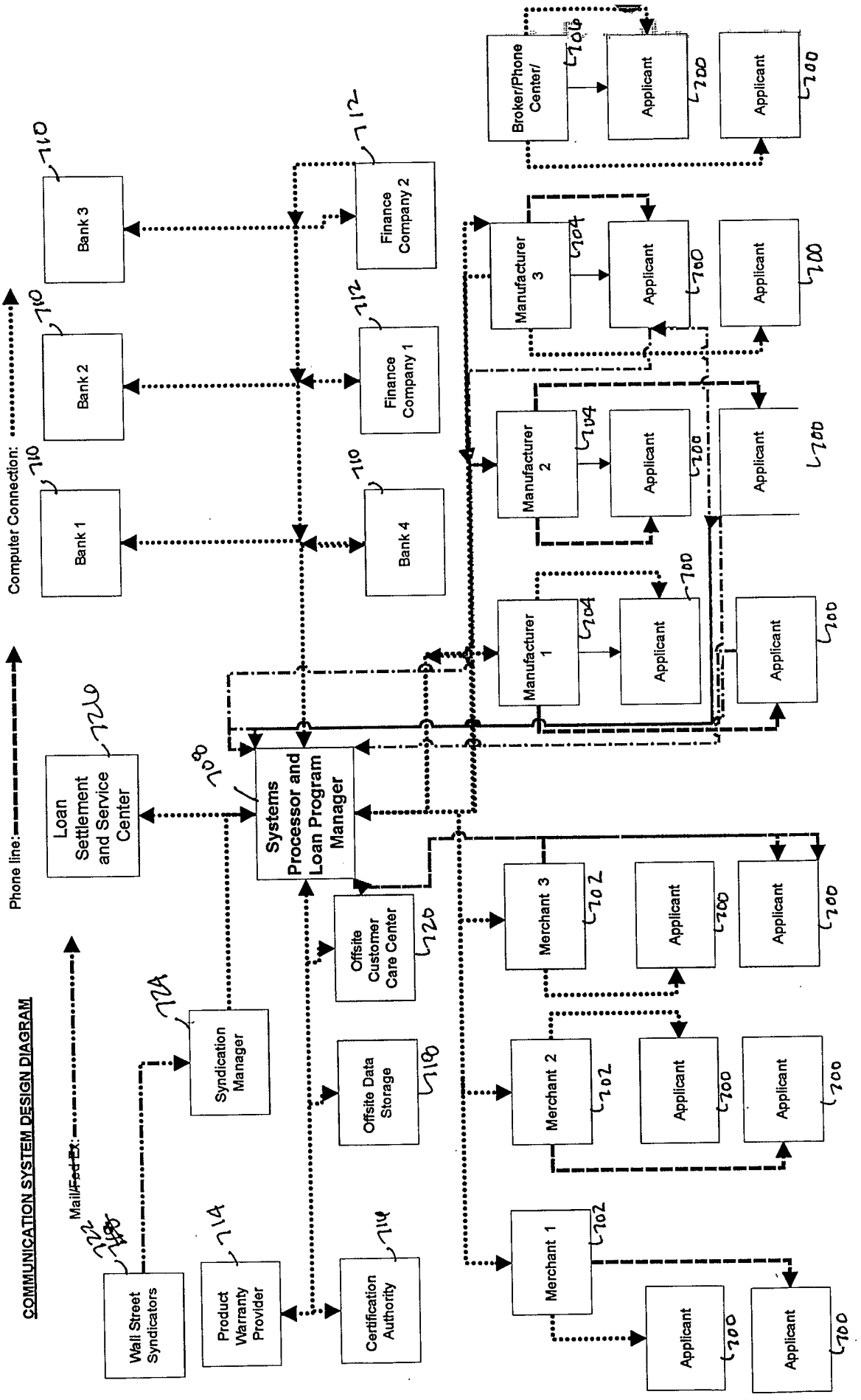
COMMUNICATION SYSTEM DESIGN DIAGRAM
Phone line:
Computer Connection:
Mail/FedEx:
Wall Street Syndicators
Product Warranty Provider
Certification Authority
Syndication Manager
Offsite Data Storage
Offsite Customer Care Center
Loan Settlement and Service Center
Systems Processor and Loan Program Manager
Bank 1
Bank 2
Bank 3
Bank 4
Finance Company 1
Finance Company 2
Manufacturer 1
Manufacturer 2
Manufacturer 3
Merchant 1
Merchant 2
Merchant 3
Broker/Phone Center/
Applicant

FIG. 7

Credit Offer

Congratulations your application for credit has been approved by Lender #1:

Offer Description:

The total amount of the loan is **$10000.00**.
The term of the loan is **24** months.
The monthly loan payment is **$532.50**.
Your loan reference number is **2002300000736**. Please keep a record of this number for any future correspondence.

Please click the Accept button below if these terms are acceptable and you want to proceed to enter into a loan based upon the above terms. Upon hitting the Accept button, a loan contract will be generated online for you to view and print. You may have to wait up to 60 seconds for the documents to be generated. Thank you for your patience.

Accept Decline Button Return To Lobby

Fig. 8

Credit Offer Confirmation

Please confirm that you have read and understand the terms of the loan.

The loan amount is **$10000.00**.
The term of the loan is **24** months.
The monthly loan payment is **$532.50**. } 900

You can use the links below to view the loan documents. The lender will mail the loan documents via Federal Express and you should receive them in a few days. Please sign the documents and return them to the lender.

Loan Agreement 902
Security Agreement 904

By hitting the 'Accept' button below, you are confirming that the terms of the loan are acceptable. Upon hitting the confirmation button a loan contract will be generated online for you to view and a printed contract with these terms will be mailed by express delivery to your address on the application. It is important that you promptly sign and return the loan contract documents to avoid any delays in processing your loan.
You may have to wait about 60 seconds for the documents to be generated. Thank you for your patience.

Lobby Logout

FIG. 9

Manual Review

Your application was unable to be processed through our automated decisioning process. The lender is manually reviewing your credit application. The lender may need additional credit information and if so will contact you directly for that information. Once the lender has made their credit decision they will contact you directly by email or phone.

Lobby Logout

FIG. 10

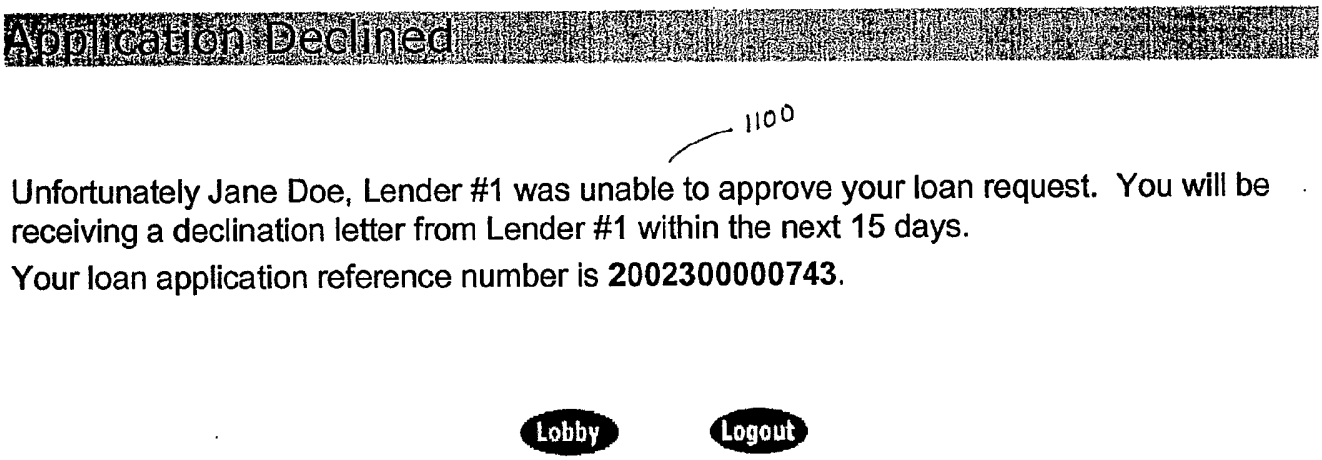
Application Declined
1100
Unfortunately Jane Doe, Lender #1 was unable to approve your loan request. You will be receiving a declination letter from Lender #1 within the next 15 days.
Your loan application reference number is 2002300000743.
Lobby
Logout

FIG. 11

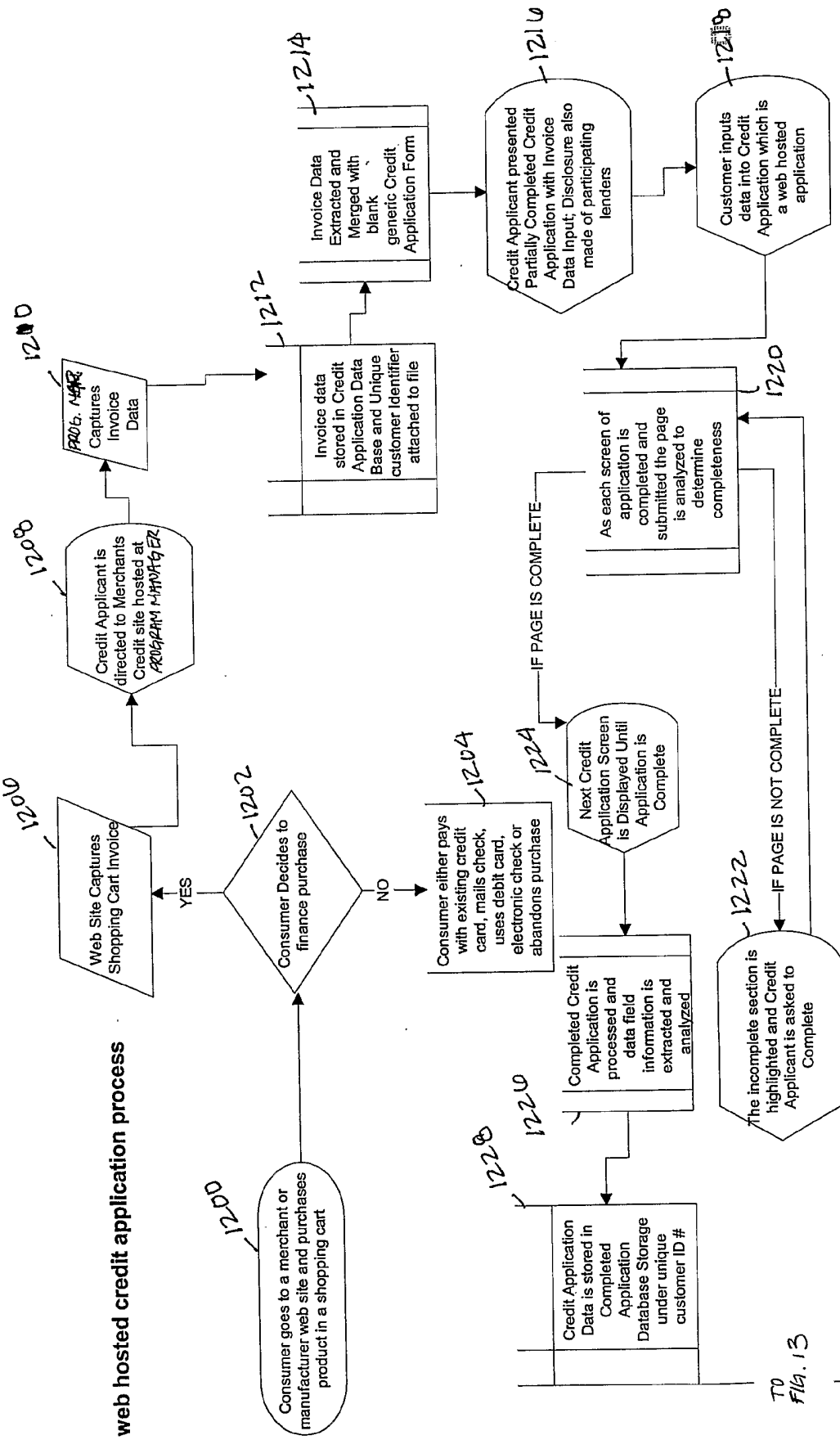
web hosted credit application process
1200
Consumer goes to a merchant or manufacturer web site and purchases product in a shopping cart
1202
Consumer Decides to finance purchase
YES
NO
1204
Consumer either pays with existing credit card, mails check, uses debit card, electronic check or abandons purchase
1206
Web Site Captures Shopping Cart Invoice
1208
Credit Applicant is directed to Merchants Credit site hosted at
1210
Captures Invoice Data
1212
Invoice data stored in Credit Application Data Base and Unique customer Identifier attached to file
1214
Invoice Data Extracted and Merged with blank generic Credit Application Form
1216
Credit Applicant presented Partially Completed Credit Application with Invoice Data Input; Disclosure also made of participating lenders
1218
Customer inputs data into Credit Application which is a web hosted application
1220
As each screen of application is completed and submitted the page is analyzed to determine completeness
IF PAGE IS COMPLETE
IF PAGE IS NOT COMPLETE
1222
The incomplete section is highlighted and Credit Applicant is asked to Complete
1224
Next Credit Application Screen is Displayed Until Application is Complete
1226
Completed Credit Application is processed and data field information is extracted and analyzed
1228
Credit Application Data is stored in Completed Application Database Storage under unique customer ID #
To Fig. 13

Fig. 12

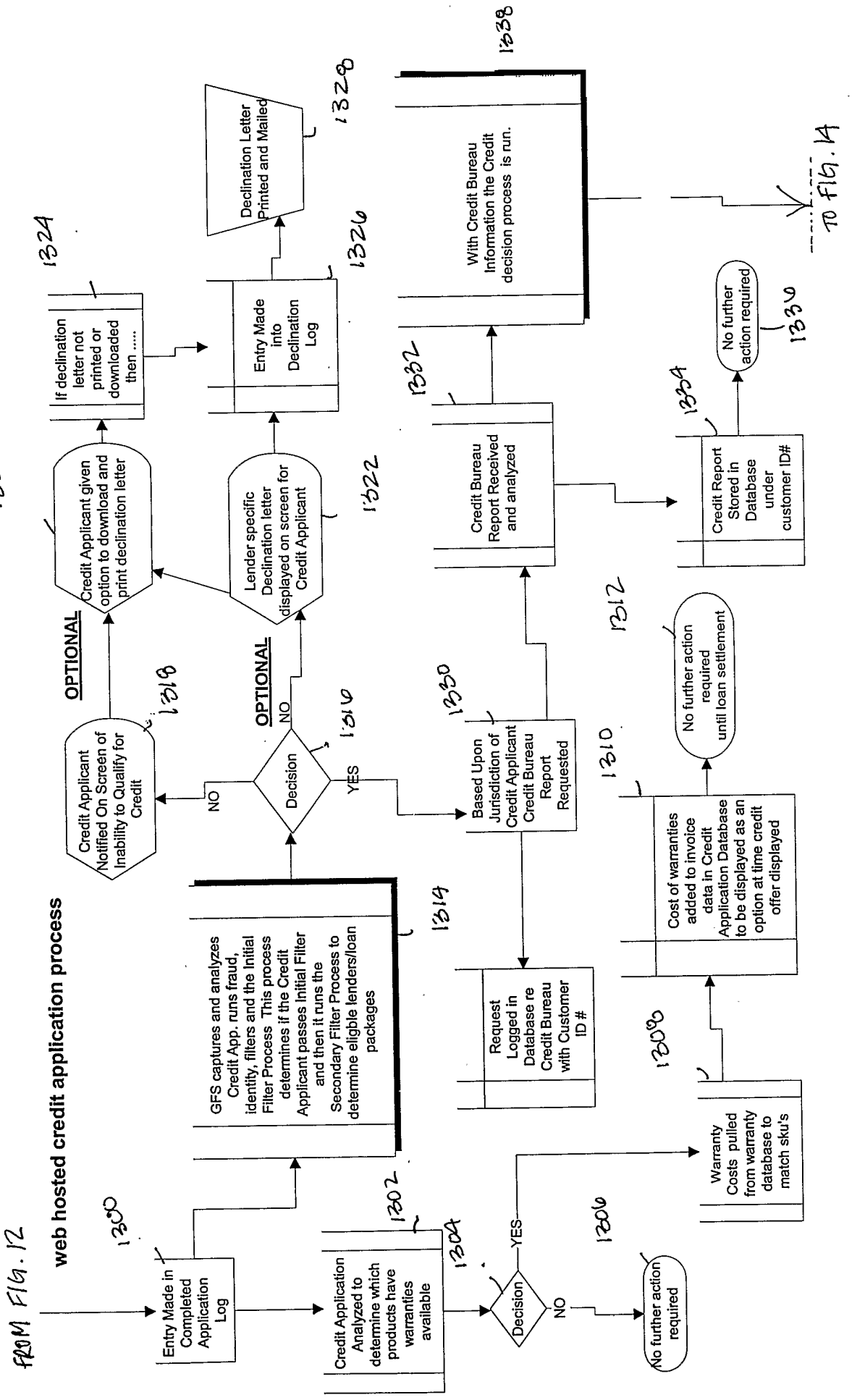
FROM FIG. 12
web hosted credit application process
1300
Entry Made in Completed Application Log
1302
Credit Application Analyzed to determine which products have warranties available
1304
Decision
YES
NO
1306
No further action required
1308
Warranty Costs pulled from warranty database to match sku's
1310
Cost of warranties added to invoice data in Credit Application Database to be displayed as an option at time credit offer displayed
1312
No further action required until loan settlement
1314
GFS captures and analyzes Credit App. runs fraud, identity, filters and the Initial Filter Process This process determines if the Credit Applicant passes Initial Filter and then it runs the Secondary Filter Process to determine eligble lenders/loan packages
1316
Decision
NO
YES
OPTIONAL
1318
Credit Applicant Notified On Screen of Inability to Qualify for Credit
1320
Credit Applicant given option to download and print declination letter
1322
Lender specific Declination letter displayed on screen for Credit Applicant
1324
If declination letter not printed or downloaded then .....
1326
Entry Made into Declination Log
1328
Declination Letter Printed and Mailed
1330
Based Upon Jurisdiction of Credit Applicant Credit Bureau Report Requested
1332
Request Logged in Database re Credit Bureau with Customer ID #
1334
Credit Bureau Report Received and analyzed
1336
Credit Report Stored in Database under customer ID#
1338
No further action required
1340
With Credit Bureau Information the Credit decision process is run.
TO FIG. 14

FIG. 13

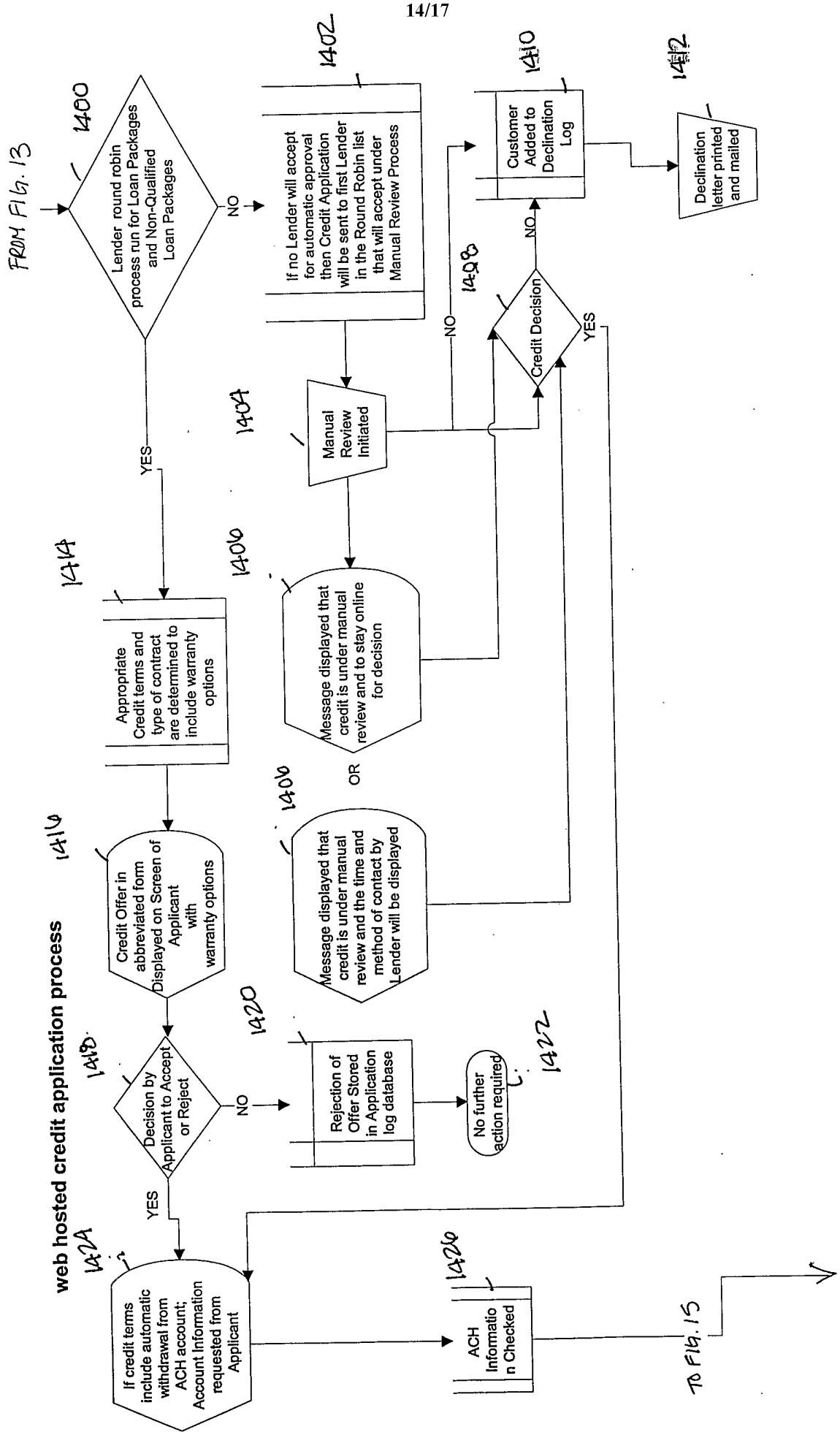
FROM FIG. 13
1400
Lender round robin process run for Loan Packages and Non-Qualified Loan Packages
NO
YES
1402
If no Lender will accept for automatic approval then Credit Application will be sent to first Lender in the Round Robin list that will accept under Manual Review Process
1404
Manual Review Initiated
1406
Message displayed that credit is under manual review and to stay online for decision
OR
1408
Message displayed that credit is under manual review and the time and method of contact by Lender will be displayed
1409
Credit Decision
NO
YES
1410
Customer Added to Declination Log
1412
Declination letter printed and mailed
1414
Appropriate Credit terms and type of contract are determined to include warranty options
1416
Credit Offer in abbreviated form Displayed on Screen of Applicant with warranty options
1418
Decision by Applicant to Accept or Reject
NO
YES
1420
Rejection of Offer Stored in Application log database
1422
No further action required
1424
If credit terms include automatic withdrawal from ACH account; Account Information requested from Applicant
1426
ACH Information Checked
web hosted credit application process
TO FIG. 15

FIG. 14

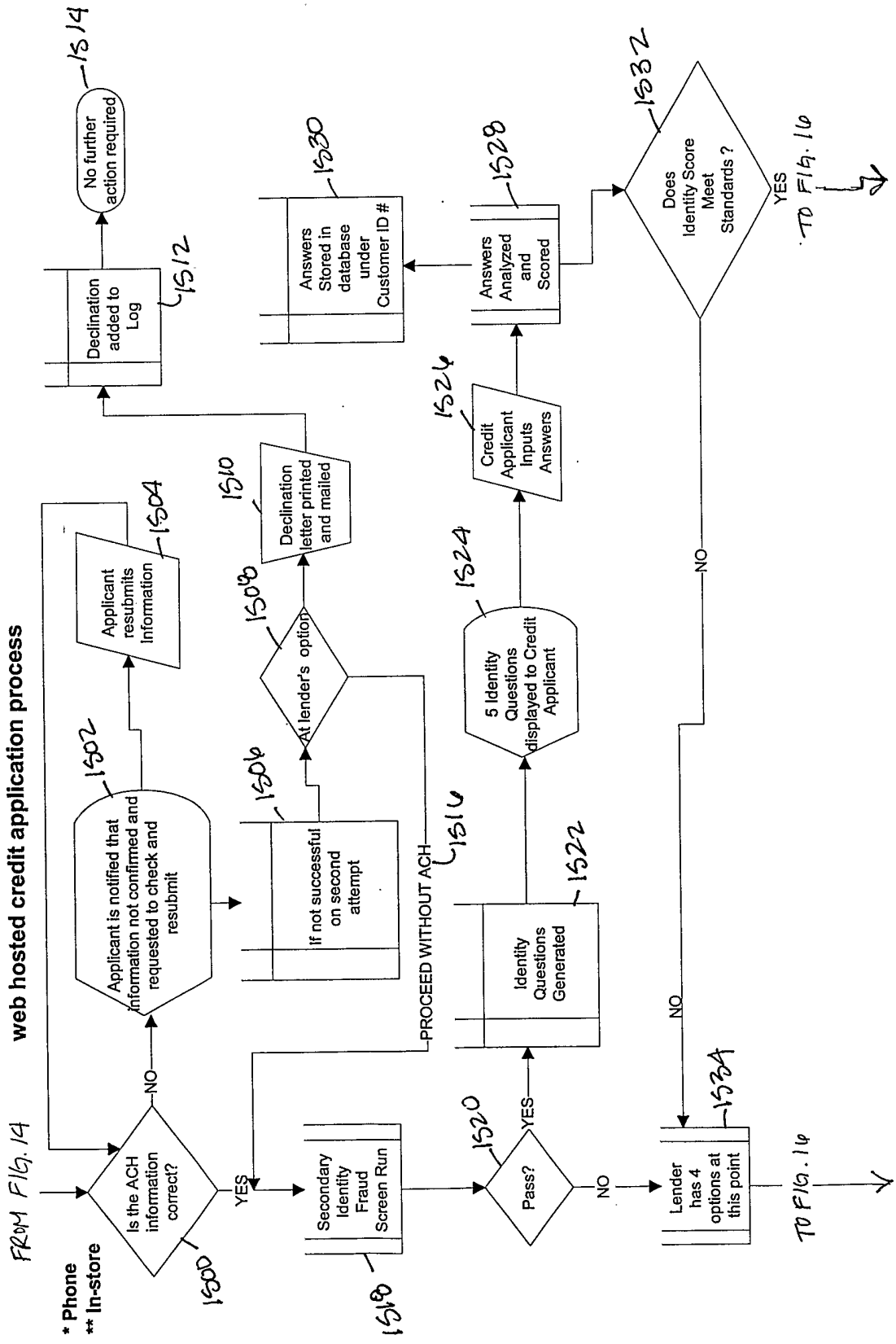
web hosted credit application process
* Phone
** In-store
FROM FIG. 14
Is the ACH information correct?
1500
NO
YES
Applicant is notified that information not confirmed and requested to check and resubmit
1502
Applicant resubmits Information
1504
Secondary Identity Fraud Screen Run
1518
If not successful on second attempt
1506
At lender's option
1508
Declination letter printed and mailed
1510
Declination added to Log
1512
No further action required
1514
PROCEED WITHOUT ACH
1516
Pass?
1520
Identity Questions Generated
1522
5 Identity Questions displayed to Credit Applicant
1524
Credit Applicant Inputs Answers
1526
Answers Analyzed and Scored
1528
Answers Stored in database under Customer ID #
1530
Does Identity Score Meet Standards ?
1532
YES
TO FIG. 16
NO
NO
Lender has 4 options at this point
1534
TO FIG. 16

FIG. 15

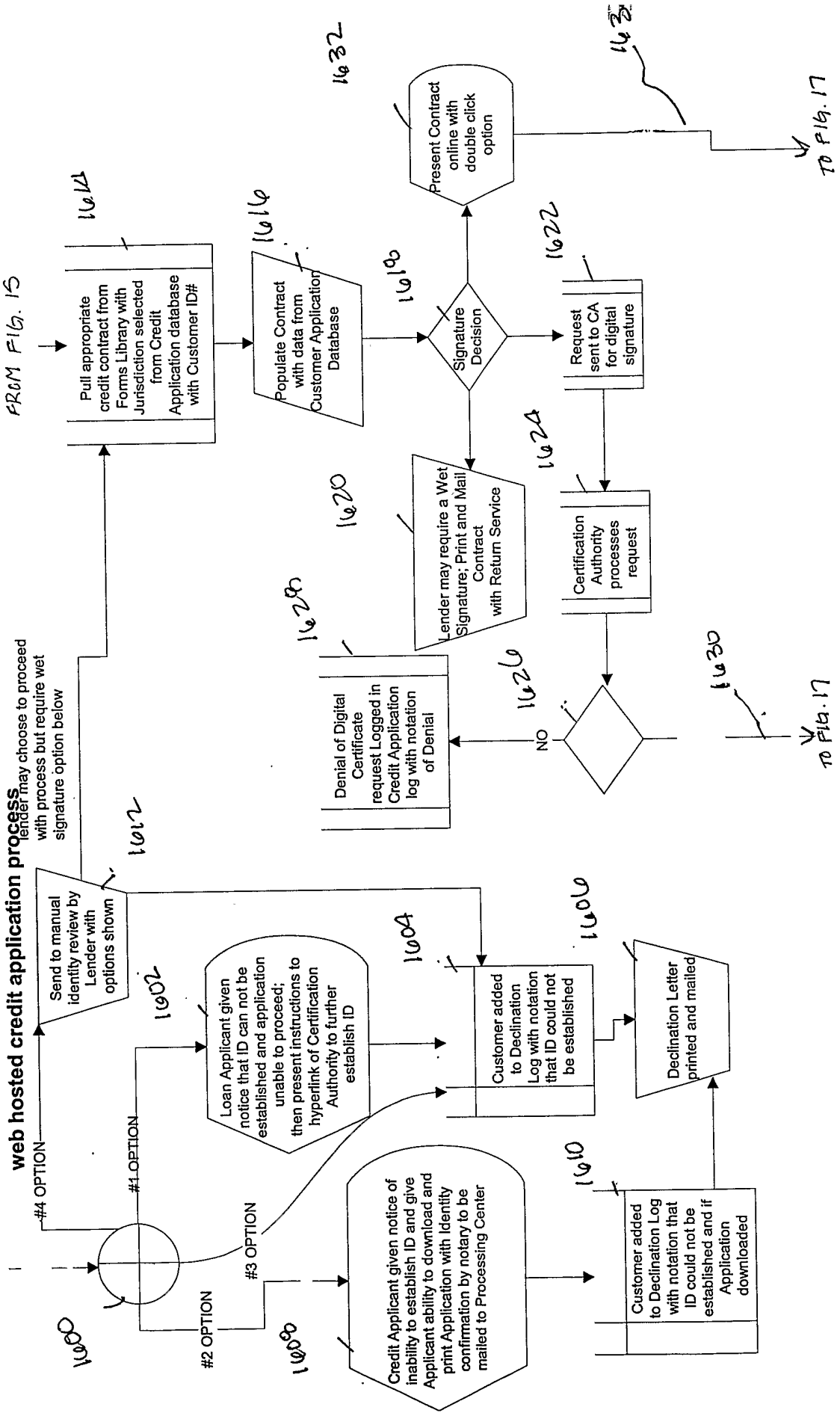
web hosted credit application process
lender may choose to proceed with process but require wet signature option below
FROM FIG. 15
Pull appropriate credit contract from Forms Library with Jurisdiction selected from Credit Application database with Customer ID#
Populate Contract with data from Customer Application Database
Signature Decision
Present Contract online with double click option
TO FIG. 17
Request sent to CA for digital signature
Certification Authority processes request
Lender may require a Wet Signature; Print and Mail Contract with Return Service
Denial of Digital Certificate request Logged in Credit Application log with notation of Denial
NO
TO FIG. 17
Send to manual identity review by Lender with options shown
#4 OPTION
#1 OPTION
#2 OPTION
#3 OPTION
Loan Applicant given notice that ID can not be established and application unable to proceed; then present instructions to hyperlink of Certification Authority to further establish ID
Credit Applicant given notice of inability to establish ID and give Applicant ability to download and print Application with Identity confirmation by notary to be mailed to Processing Center
Customer added to Declination Log with notation that ID could not be established
Declination Letter printed and mailed
Customer added to Declination Log with notation that ID could not be established and if Application downloaded
1600
1602
1604
1606
1608
1610
1612
1614
1616
1618
1620
1622
1624
1626
1628
1630
1632
1634

FIG. 16

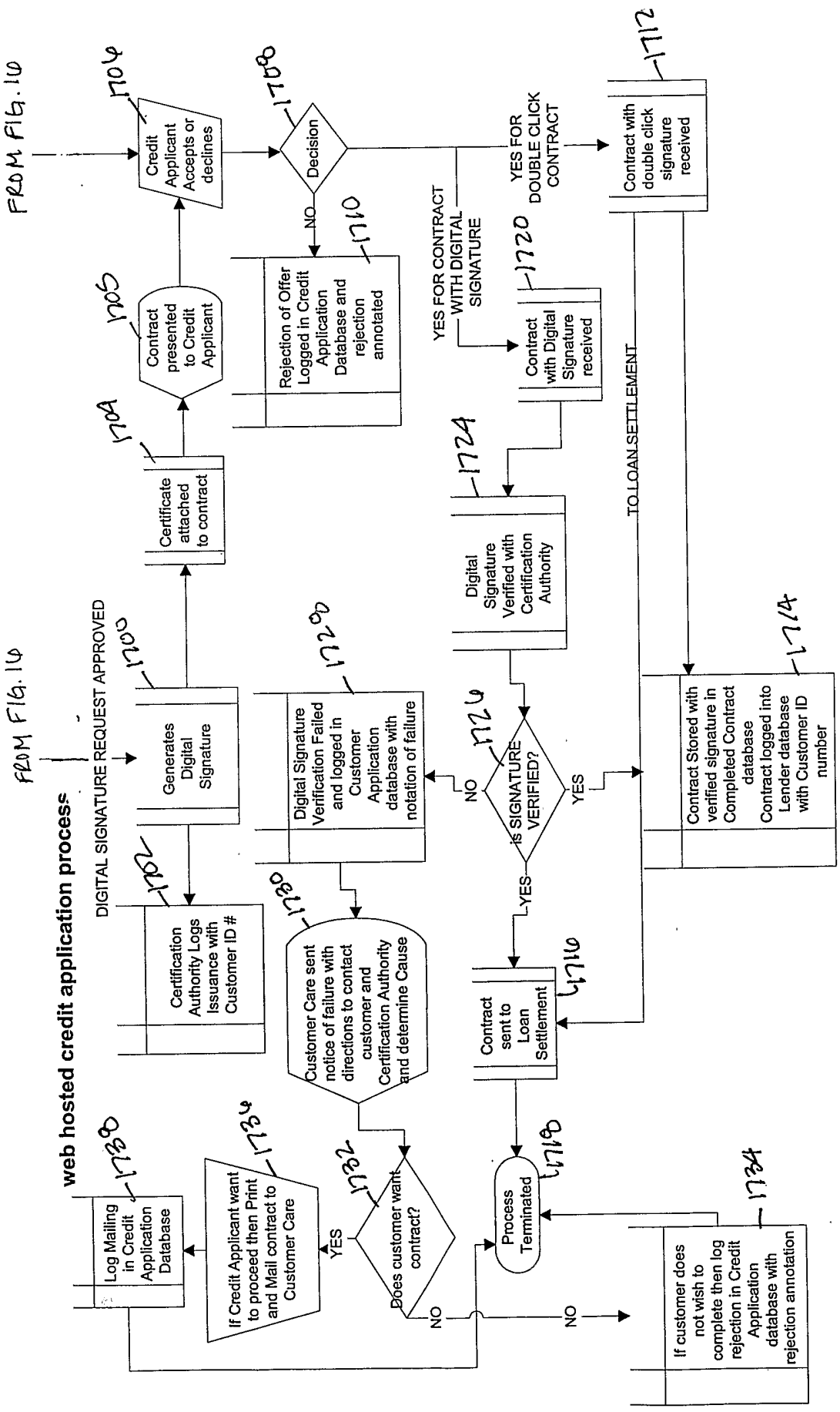
FROM FIG. 1G
web hosted credit application process
DIGITAL SIGNATURE REQUEST APPROVED
FROM FIG. 1G
1700
Generates Digital Signature
1702
Certification Authority Logs Issuance with Customer ID #
1704
Certificate attached to contract
1705
Contract presented to Credit Applicant
1706
Credit Applicant Accepts or declines
1708
Decision
NO
1710
Rejection of Offer Logged in Credit Application Database and rejection annotated
YES FOR CONTRACT WITH DIGITAL SIGNATURE
1720
Contract with Digital Signature received
YES FOR DOUBLE CLICK CONTRACT
1712
Contract with double click signature received
1724
Digital Signature Verified with Certification Authority
1726
is SIGNATURE VERIFIED?
NO
1728
Digital Signature Verification Failed and logged in Customer Application database with notation of failure
YES
TO LOAN SETTLEMENT
1714
Contract Stored with verified signature in Completed Contract database
Contract logged into Lender database with Customer ID number
YES
1716
Contract sent to Loan Settlement
1718
Process Terminated
1730
Customer Care sent notice of failure with directions to contact customer and Certification Authority and determine Cause
1732
Does customer want contract?
YES
1734
If Credit Applicant want to proceed then Print and Mail contract to Customer Care
1738
Log Mailing in Credit Application Database
NO
NO
1734
If customer does not wish to complete then log rejection in Credit Application database with rejection annotation

FIG. 17