

News Release

September 3, 2002

Vysym Announces Low Cost 24x7 Lending Program

Irvine, CA – Vysym Corporation, the pioneer of the financial industry's automated telelending process, announced a new, low-cost, 24x7 telephone lending service that enables lenders to significantly reduce new loan business acquisition costs. The service is priced to allow small lenders to readily afford a customized, around-the-clock telephone lending program. Vysym projects lender savings of at least 40% for in-house loan originations, and greater than 75% for loan applications taken by third-party call centers.

The new *TALIS™* Automated Voice Lending hosted service utilizes automatic speech recognition to let consumers effortlessly conduct loan business from the convenience of any telephone. Borrowers can obtain a lender's loan product information, calculate loan payments, borrowing power and mortgage refinance savings, as well as easily complete loan applications. Instant, same-call loan approvals can be given to applicants, based on lender-specified credit parameters. Prospective borrowers can also get current car and truck book valuations, and receive immediate approval for vehicle loans. The service supports both direct and indirect consumer, real-estate and credit-line lending. As a hosted business solution, the *TALIS* Voice Lending service bureau permits lenders to quickly and cost-effectively deploy automatic speech recognition, without a large capital investment or exposure to investment obsolescence.

"The benefits of using speech recognition technology in the lending process are considerable for both borrowers and lenders," said Samn Nadel, a Vysym spokesperson. "In addition to the significant cost advantage of automating highly labor-intensive loan calls, the process is simpler, more consistent, and more acceptable to borrowers, as various research studies have shown."

Based on average costs of outsourced call centers, a savings of \$25 or more, per loan application, can be attained. At volumes of 75 applications per month, a \$22,500 annual savings is realized; 1,000 applications per month produces a savings of \$300,000 per year. Even in-house loan originations, which typically run \$4 to \$10, are more than double the cost of *TALIS* applications. Nadel commented, "It's somewhat ironic that lenders employ third party staffed centers to improve their service, and then extend their in-house lending service hours, or increase call hold queue time, to avoid use of the outsource vendor because of high costs. *TALIS* hosted services produce savings on every loan call because even in-house originations are more expensive than taking loans with *TALIS*."

Does this mean that *TALIS* is intended to replace in-house and outsourced loan call centers? "Not at all," said Nadel, "because, while automation can handle 60% to 90% of all calls, it can't answer every possible borrower question. By seamlessly integrating *TALIS* 'in front' of call centers, lenders have an opportunity to reduce operations expense and give customers immediate access to lending services without ever sending them to dreaded hold queues." Though call transfer capability to staffed services from *TALIS* is available, Nadel pointed to two research surveys. In an Evans Research study, 80% of consumers polled preferred using speech recognition; in a Kowal Associates survey 74% of respondents said that speech recognition is as good as a live customer service representative.

"These numbers are not surprising for several reasons," Nadel continued. "First, many consumers often lack confidence in the accuracy and consistency of call center agent answers; they've spoken too many times with insufficiently trained representatives. Second, many consumers have experienced less than friendly service; even the best agents have 'off' days or pre-shift end malaise. Third, too many

consumers have felt sales pressure when speaking with agents, and fourth, except for 'A' and some 'D' borrowers, the credit process is still intimidating. Finally, no one likes to wait on hold, even for 15 seconds. The high level of turnover in call centers and continual training issues, particularly among third party vendors, easily explains why many consumers prefer self-service when simple, convenient, and available. For lenders concerned about quality control, *TALIS* assures immediate, predictable and uniform service delivery on every call."

As a solution to expense, agent hiring, retention, and training challenges, and the ability to provide immediate service unlimited by the number of available agents, many lenders have focused on the Internet. However, as numerous research studies indicate, less than 5% of respondents use the Internet to conduct a financial transaction, and many consumers are still reluctant to feed personal data into their computers. "Even if a lender has achieved 25% market penetration via the Internet, that means they're still not reaching 75% of their prospective customers," Nadel said. "Or, they're spending significantly higher amounts for loan agent services to obtain that business. The simple fact is that everyone has a telephone, and many also have a cellular phone. Speaking is so much faster and easier than typing a web loan application. Besides, the telephone doesn't set off consumers' data privacy and security concerns. Our Remote Lending Services Delivery Analysis article, available at the Vysym web site, covers these and other issues in substantial detail."

TALIS Automated Voice Lending services can be tailored to meet individual lender requirements, from credit policies to credit analysis, marketing and closing. Services can be configured to simply offer loan product information and application acceptance or can extend to include credit analysis and instant approval. It supports both direct and indirect lending for all types of loan products including automotive, real estate, lines of credit, credit cards, and consumer installment. Special features include borrowing power and mortgage refinance calculators, risk-based pricing, and cross-sell functions. The *TALIS* program is flexible and can be easily modified to meet the changing competitive environment or regulatory needs. Pricing is based on specific *TALIS* features utilized.

Vysym Corporation, based in Irvine, California, provides advanced voice, communication and integrated transaction processing solutions for the financial services industry. The Company pioneered the industry's first automated telephone lending process in 1989, and subsequently introduced the industry's first touch-tone and voice-automated car book valuation program, and same-call automated loan approval services. Today, Vysym serves small and large financial services companies throughout the United States and works with other leading industry vendors to deliver high quality, technology-based business solutions targeted to customers' strategic objectives. For additional information about Vysym or *TALIS*, visit www.vysym.com or call Marketing Services at 800-825-4493.