



## **A Vision for a Next-Generation Dealership Platform**

### *CLA and Automotive Financing in Canada*

[Canadian Lenders Association](#) represents and advocates for over 300 companies across Canada that participate in SMB, consumer, home, equipment, automotive and mortgage financing. We host the [Automotive Financing Roundtable](#) which has bank and non-bank member companies. The CLA plays an active role in advocating and supporting new generation business models and technology across all lending and lending adjacent sectors.

### *Next Generation Dealership Platform*

This document is based on interviews with non-bank and bank lenders in Canada. As we look to scale the market to better service Canadian borrowers, we have outlined an aspirational vision for a next generation platform that would service and scale digital credit applications for automotive, RV, marine, and powersport financing.

### *Overview*

The envisioned platform is a streamlined, secure, and efficient online system designed to seamlessly connect automotive dealers and lenders. Built on a microservices architecture, it facilitates easy updates, maintenance, and scalability. The platform integrates with various external systems such as credit bureaus, vehicle valuation services, DMS (Dealer Management Systems), OEM (Original Equipment Manufacturer) systems, and other third-party services through APIs. Utilizing webhooks and callbacks ensures real-time updates and notifications. The user experience (UX) is modern, intuitive, and responsive across both desktop and mobile platforms, featuring customizable interface elements to enhance adaptation by dealers and lenders.

### *Core Features*

- **Highly Configurable Application Template:** Customizable templates for financing applications to meet diverse lender requirements and adhere to various regulations.
- **Prequalification:** Enables consumers to check their financing eligibility using basic personal and financial information.
- **Full Application:** Includes vehicle details alongside applicant information for a comprehensive financing request.
- **Multi-Lender Application:** Features auto-complete functionality to streamline the application process for consumers by automatically populating fields based on previous inputs.
- **Dealer Management Platform:** A comprehensive system for dealers to manage applications,

communicate with lenders, and track the status of loan applications.

- Document Handling with eSignature Functionality: Allows digital signing and management of required documents for the financing process.
- Multi-Offer Program Support: Supports the presentation of multiple financing offers to consumers, including the ability to run promotions.
- Regulation-Specific Supports: Includes features like a high-cost borrowing calculator to comply with various regulations across Canada.
- Deal Management: Enables dealers to easily modify and resubmit loan applications based on lender feedback or consumer preferences.
- Compliance and Security: Ensures adherence to relevant financial regulations and standards for data protection and privacy.
- Reporting and Analytics: Provides comprehensive tools and analytics for dealers and lenders to track performance, trends, conversion rates, etc.
- User Management: Offers different access levels for dealers, lenders, and administrators to manage operations securely and efficiently.
- APIs for DMS, CRM, etc.: Integration capabilities with Dealer Management Systems, Customer Relationship Management systems, and more for enhanced operational efficiency.

### *Additional Useful Features*

- KYC with Identity Verification Capabilities: Advanced Know Your Customer (KYC) and identity verification features to ensure compliance and reduce fraud.
- Mobile Prefill: Utilizes mobile technology for scanning IDs and autofilling application forms, enhancing accuracy and user experience.
- Income Verification: Integrates with various databases and services to automatically verify the income details provided by applicants.
- Digital Documents Configuration and Updates: Enables easy management, updating, and sharing of digital documentation by dealers and lenders, ensuring compliance.
- Direct to Consumer App Linked with OEM: Offers a consumer-facing application that integrates with OEM systems for vehicle selection and financing options.
- Highly Customizable Business Rules: Allows lenders and dealers to set and modify their business rules and criteria for loan approval within the platform.
- Soft Pull Prequalification: Enables consumers to check their financing eligibility without affecting their credit scores, using basic personal and financial information.
- Real-Time Inventory Integration: Integration with dealership inventory systems to provide real-time availability of vehicles for financing, enabling consumers to browse and select vehicles directly within the platform.
- AI-Powered Credit Decisioning: Incorporation of artificial intelligence algorithms to analyze applicant data and provide personalized credit decisions, improving efficiency and accuracy in the loan approval process.
- Predictive Analytics for Inventory Management: Utilization of predictive analytics to forecast demand for specific vehicle models, helping dealers optimize inventory levels and make informed purchasing decisions.

This list of platform specifications outlines a comprehensive approach to modernizing the auto financing process, focusing on ease of use, compliance, and integration capabilities to cater to the evolving needs of dealers, lenders, and consumers in the automotive industry.



### **About the Canadian Lenders Association**

The Canadian Lenders Association (CLA) supports the growth of bank and non-bank companies that are in the business of lending. We also support lending adjacent sectors including BaaS, Core Banking, Open Banking, DE&I and Sustainable Finance Frameworks. We currently represent and advocate for over 300 companies across Canada that participate in SMB, consumer, home, equipment, automotive and mortgage financing. *The CLA does not represent the Payday lending sector.*

*<https://www.canadianlenders.org/automotive-lending-roundtable/>*