PLAID

Powering informed loan decisions

Approve Owl helps car dealerships compete
with big lenders

Approve Owl
A P P R O V E   W I S E L Y

Problem

Approve Owl wanted a way to help dealerships verify the income of applicants

Solution

Plaid Assets provides a snapshot of a customer's finances, enabling dealerships
to make informed loan decisions

Results with Plaid

According to Approve Owl, they saw the following after using Plaid.

50%	Customers who use Plaid to link their financial accounts during the loan application process are 50% more likely to continue their buying journey than those who don't
30 min	Dealerships shave 30 minutes off the sales cycle when buyers link their accounts with Approve Owl + Plaid
20%	Plaid data helps dealerships reduce proof-of-income fraud by 20%
2x	When dealerships use Approve Owl + Plaid during the underwriting process, their sales from web leads double on average

**"When people connect their
accounts with Plaid, they're
more engaged and thus more
likely to continue their
buying journeys."**

GREG CHANEY,
Co-Founder,
Approve Owl

With an abundance of loan options available to car buyers, dealerships today
must compete on more than just interest rates. Buyers also want a fast
and seamless customer experience—something that puts many dealerships
at a disadvantage.

That's because their customers—especially those in the subprime space—
must often endure a long and tedious financing process during which they're
asked to provide proof of income, ID and other documents to complete the loan
application. This paper shuffle takes time, and missing documentation can send
would-be buyers to the door.

Proof of income, in particular, is where many deals fall apart. Sometimes
the buyer doesn't bring their pay stub; other times the pay stub is outright
fraudulent. And for the nearly 30% of Americans who are self-employed, there
might not be a pay stub to begin with.

Approve Owl saw an opportunity to help dealerships verify income while
streamlining the financing experience. By allowing buyers to complete the loan
application and submit required documentation online, they remove friction from
the financing step and can provide dealerships with verified information to make
informed loan decisions. Dealerships can also limit the error-prone process of
manual data entry, allowing salespeople to spend more time doing what they do
best: selling.

To enable this service, Approve Owl needed a simple and secure way to help
buyers permission their financial data. **For that, they chose Plaid.**

Turning cold leads hot

Approve Owl was founded in 2017 with a single goal in mind: to help independent dealerships compete.

"We saw a big hole in the market," says Greg Chaney, Co-Founder of Approve Owl. "For independent dealerships with just one or a few locations, a lot needs to happen for them to compete with bigger, more digitally savvy dealerships. Our job is to help even the playing field."

To link their financial accounts to an app with Plaid, users simply select their financial institution from a list and enter the username and password associated with that account. Plaid now connects to more than 10,000 US financial institutions—often in a matter of seconds.

Once a user has connected their financial accounts, Approve Owl uses the customer's permissioned financial data to verify that the information provided in the application is correct. The dealership then receives verified information in the form of a "uniform bank statement" which they can use to make an informed loan decision on the buyer.

This online application experience is also beneficial for buyers. Completing the loan application process ahead of time allows them to shop with confidence. As a result, those who link their financial accounts with Plaid are 50% more likely to show up to the dealership.

> *"When people connect their accounts with Plaid, they're more engaged and thus more likely to continue their buying journeys," explains Chaney.*

2x

When dealerships use Approve Owl and Plaid during the underwriting process, their sales from web leads double on average

Increased sales via better underwriting

Chaney offers a clear explanation of how Approve Owl helps dealerships improve lending use cases: "Every dealership is ultimately trying to make good loan decisions. And nothing helps more than having access to verified data."

Previously, a dealership might have denied a loan to a self-employed person because they had no way to verify their income. But because Plaid's Assets product provides a snapshot of a customer's finances, including spending and income, Approve Owl can effectively inform dealerships of an applicant's ability to repay—regardless of their employment type.

That brings in more good borrowers while weeding out the bad ones. In fact, dealerships that use Approve Owl + Plaid see a 20% reduction in proof-of-income fraud.

Moreover, buyers who complete their loan application online get through the sales cycle 30 minutes faster than buyers who handle financing in the dealership. This gets buyers on the road quicker, a win for both parties.

> *"Once dealerships start using Approve Owl, their sales from web leads double on average," says Chaney.*

50%

Customers who use Plaid to link their financial accounts during the loan application process are 50% more likely to continue their buying journey than those who don't

Innovating for the future

With Plaid, Approve Owl is helping independent dealerships compete with the biggest lenders in the market. This helps give customers a fast, easy buying experience, and dealerships a modern tool to gather a holistic picture of applicants—with the added benefit of streamlining internal processes.

Looking forward, the company plans to continue to help dealerships adapt to market changes and introduce new and innovative services.

"Working with Plaid has been great," says Chaney. "We look forward to continuing our relationship to help dealerships be even more successful in the future."