



## CASE STUDY

# Modernizing a State-Based Student Lender's Legacy Loan Servicing and Collections System

*A prominent student lender, responsible for administering one of the largest state-based lending programs in the U.S., faced significant challenges due to their outdated loan servicing and collections system. The core software, written in COBOL and Assembler, was designed decades ago and, while it had served its purpose, it now faced substantial limitations. DecisivEdge leveraged its expertise in lending and digital transformation to modernize the lender's operations with a customized platform.*

### The Challenge

In today's rapidly evolving digital landscape, organizations face significant challenges when managing legacy systems. This is especially true for institutions handling complex, highly regulated and changing industries such as student lending.

The case in point involves a prominent student lender, responsible for administering one of the largest State-based lending programs in the U.S., who faced significant challenges from their legacy loan platform. The aging infrastructure presented many issues that hindered efficiency and innovation. The core software, written in COBOL and Assembler, was designed decades ago and, while it had served its purpose, it now faced substantial limitations:

- **Limited Reporting and Analytics:** The existing system's reporting capabilities were rudimentary, restricting the ability to generate comprehensive and actionable insights. This limitation affected decision-making and the ability to respond to emerging trends and issues effectively.
- **Operational Inefficiencies:** The legacy system was cumbersome and complex, leading to slow processing times and increased operational costs. The intricacies of COBOL and Assembler make it difficult to implement changes or integrate new

features. This drove the users to create manual workarounds and external Microsoft access databases in order to manage new or increased workloads.

- **Maintenance Challenges:** Maintaining and updating the system required specialized knowledge of COBOL and Assembler, which is becoming increasingly scarce. This created a reliance on a shrinking pool of experts and increased the risk of system obsolescence.
- **Scalability Issues:** As the volume of student loans and transactions grew, the current system struggled to scale efficiently. This impacted the platform's ability to handle increased loads and meet user expectations.

### The Solution

DecisivEdge, an Oracle Partner, leveraged its extensive experience in lending and digital transformation to modernize the lender's operations with a customized implementation of Oracle Financial Services Lending and Leasing (OFSL).

Key aspects of the solution included:

- **System Modernization:** The previous platform and custom-program coded in Cobol and Assembler was



replaced. The outdated tech stack was modernized, and large portions of the lender's manual workflows were automated, significantly reducing workloads and errors.

- **End-to-end support of the entire loan life cycle:** We provided a platform that replaced not only the core system but also all the ancillary processes that were operating outside the legacy system thereby streamlining processes, reducing errors, and improving system performance to reduce operational costs and processing times.
- **Multiple Loan Products:** DecisivEdge customized the core OFSLL system to support different loans such as consolidation and refinance loan products, and employment statuses.
- **Relief Program Customizations:** The system was tailored to handle different types of relief programs, such as those for students and borrowers facing financial hardship due to natural disasters, disability, or unemployment.
- **Automated Correspondence:** Customizations were developed to automate Letters for common events such as, in-school, out-of-school, and other enrollment updates from National Student Clearinghouse (NSC), Delinquency, relief programs, and others - ensuring accurate and timely communication with borrowers.
- **Legal and Collections:** Specialized functions and workflows were developed to support operational requirements of Bankruptcy, SCRA, Placement with 3rd party attorneys and administrative wage garnishment to improve collection/default rates.
- **National Student Clearinghouse:** The system was customized to process enrollment updates from the National Student Clearinghouse in the required format, along with custom reporting features and

automated actions to move loans from in-school to out-of-school repayment terms.

- **Customized User Interface:** Where needed, the user interface was redesigned to make it easier for Customer Care and Collections to access information to service Borrowers quickly and efficiently.
- **APIs/Interfaces:** OFSLL is designed to integrate seamlessly with 3rd party systems typically accessed throughout the Lending process, such as:
  1. *Credit Bureaus for Origination Decisioning*
  2. *Credit Bureau reporting, ACH payment files, and Customer Portals for Servicing*
  3. *Agencies and Attorneys for Collections and Recovery*

### The Results

The implementation of OFSLL enhanced with customizations provided by DecisivEdge, resulted in a modern and comprehensive loan servicing platform. The lender now benefits from:

- **Increased Operational Efficiency:** Automation of workflows and elimination of obsolete processes led to significant reductions in manual errors and improved overall efficiency.
- **Enhanced Compliance:** Out of the box features of OFSLL, enhanced by DecisivEdge's customizations, ensured adherence to State and Federal Regulations, making it easier for the lender to navigate the complex and changing regulatory landscape of student lending.
- **Seamless Support:** With maintenance and round-the-clock support provided by DecisivEdge's teams in India, the U.S., and Canada, the lender enjoys uninterrupted service and quick resolution of any issues.

### About DecisivEdge

DecisivEdge is a business consulting and technology services company. To learn more about DecisivEdge, please visit our website at [www.DecisivEdge.com](http://www.DecisivEdge.com), contact us at 302.299.1570 or email us at [GetResults@DecisivEdge.com](mailto:GetResults@DecisivEdge.com).



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- **Future-Proof Technology:** The modernization of the tech stack and operational efficiencies have positioned the lender to better handle future challenges and scale their operations as needed.

DecisivEdge's deep expertise and tailored approach have freed the student lender from their outdated legacy system and manual workarounds. Their new solution is efficient, and compliant giving them the agility they need to adapt to ever-evolving landscape of college financing with new products, better and more timely communication with their borrowers while adhering to complex regulations and scrutiny by the CFPB.

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#### About DecisivEdge

DecisivEdge is a business consulting and technology services company. To learn more about DecisivEdge, please visit our website at [www.DecisivEdge.com](http://www.DecisivEdge.com), contact us at 302.299.1570 or email us at [GetResults@DecisivEdge.com](mailto:GetResults@DecisivEdge.com).



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