

CASE STUDY

Fora Financial introduces AI-driven document automation and fraud detection for more efficient small business lending



Background

Headquartered in New York, [Fora Financial](#) is a leading business financing provider that has facilitated over \$4 billion in funding to more than 55,000 business owners nationwide. Fora began as Paramount Merchant Funding in 2008, a brokerage for small businesses seeking funding from third-party funders. In 2013, the company rebranded to Fora Financial, launching a technology platform that offers a broad array of products, including fast, personalized small business loans and advances. Today, Fora Financial serves companies, and particularly difficult-to-fund applicants, across all major industries, with a goal of making underwriting a painless process.

Challenge



Fora Financial faced challenges in its underwriting process due to the document-intensive nature of commercial funding. Relying on manual review often led to subpar data accuracy due to occasional human error, delayed decision times, and application backlogs from a fixed workforce. **“Maintaining customer service standards with manual data review at the beginning of the process was proving expensive,”** explains Jesse Goldman, Vice President of Strategic Operations.

While operational expenses for the U.S.-based data review team were significantly higher than the projected costs for an outsourced team, neither option provided rapid access to high-quality data or scalability to keep up with Fora’s growing loan volume.

Solution

To address these challenges, Fora Financial sought a solution to automate data extraction from loan origination documents. The company built an end-to-end underwriting operation that includes Ocrolus AI-driven document automation, and covers every stage of loan origination, from classification and extraction at origination through funding. With Ocrolus, Fora Financial automated ingesting borrower documents and returning data and analytics directly into the company's LOS for rapid decision-making.

“The platform eliminates manual keying by credit analysts in Fora Financial’s underwriting process and delivers various credit model inputs that were previously unavailable, including cash flow analytics for each borrower,” mentions Goldman. Fora Financial also leverages Ocrolus’ Detect before a human file review for automated fraud detection and mitigation toward the start of the underwriting process. The Detect Authenticity Score enables the team to apply varying treatment and business logic levels, depending on each application’s fraud risk.



Result

As Fora Financial’s application volume grew, the Ocrolus platform allowed the company to ramp up and scale. **“Turnaround times for data extraction reduced to under 15 minutes, which has helped us provide loan decisions within 4 hours and funding in under 24 hours,”** adds Goldman. Ocrolus helped Fora Financial adapt to increasing submission and origination volume while minimizing growing pains. **“The great thing about Ocrolus is that it provides incredibly reliable service availability, so regardless of application volume, we receive dependable, accurate data.”**

By adopting Ocrolus’ new Detect Authenticity Score, Fora Financial became more objective and precise in identifying potential bank statement fraud.



The Authenticity Score also enabled Fora Financial to target bank statement verification more effectively, reducing cost and resources for verification services, increasing conversions by eliminating unnecessary verification requirements, and lowering early credit losses. **"By targeting our approach more effectively, we reduce bank statement verifications by over 50%, streamlining the process for legitimate users while deterring bad actors,"** adds Goldman.



Conclusion

Fora Financial's partnership with Ocrolus has significantly streamlined its operations. From eliminating manual analysis to powering a hyper-efficient underwriting core and facilitating more business opportunities, Ocrolus helped Fora Financial refine its underwriting operation into a lean, scalable fintech infrastructure built to grow market share in the highly competitive small business lending space.

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-Jesse Goldman, Vice President, Strategic Operations, Fora Financial