



NEWS HIGHLIGHTS

RBI makes card, online payments safer; customer liability cut

Yes Bank taps AI to directly offer small loans to students

Aadhaar gets praise at global forum for financial inclusion

Flipkart planning offline cart to sell foreign brands

Moglix raises \$12 m from IFC

Today's View

Mortgages- Should You Choose to Accept

Imagine getting by the better part of the typically arduous mortgage financing process merely through a mobile phone. Last year, the **Canadian Imperial Bank of Commerce** in Toronto rolled out its Hello Home app aiding homebuyers complete the greater part of the mortgage process by snapping photos of completed forms.

Beyond providing borrowers the benefit of getting by the process painlessly, digitizing mortgages also delivers superior customer experience through design, automation, convenience and efficiency. On the other end of the transaction, digital verification supports lenders in making decisions more diligently and expeditiously, hence improving compliance and reducing human error.

Some numbers. US\$ 1.5 trillion worth new mortgages are being originated annually in the U.S. alone, and close to US\$ 10 trillion worth outstanding primary residential mortgages require servicing. The complex process typically requires 45-60 days, costs over US\$5K in administrative fees, over 225 paper leaves and repeated follow-up. Put this next to the findings of a recent JD Power survey which found that 62% of the respondents that bought a home this year and are aged under 35 agreed that, if available, they would use a mobile app to complete a mortgage application. Moreover, 20% of the homebuyers of all ages weren't happy with their lender, reiterating the need for a progressive digitized mortgage service.

In the U.S., **Radius Financial Group** cracked the paperless mortgage code in 2016. The firm, with support from DocMagic, the MERS loan registry, Fannie Mae and Santander Bank closed six paperless loans. Partnering with DocMagic and MERS loan registry helped Radius handle distinct parts of the process, displaying the potential for automation in document preparation and loan tracking.

Better Mortgage, an NYC-based digital mortgage company with over US\$ 45 million in capital raised to date, is using data science, machine learning, and UX design to provide consumers an unmatched home buying experience. It offers users transparent quotes

OTHER INTERESTING NEWS

Flipkart planning offline cart to sell foreign brands

Flipkart is planning to enter the brick-and-mortar space, joining a clutch of firms such as Myntra and Urban Ladder to boost growth which is slowing down in the online market.



Source- The Economic Times

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Date- 07th July 17

in seconds and facilitates approval and locking a rate online in minutes. Other innovative tech-based mortgage companies include **Blend Labs, Cloudvirga, Roostify, and Preclose.**

In India however, the mortgage automation business has so far been largely untouched by technology barring the digitization of the application process. Eliminating the complexity and commissions of the traditional mortgage process, aligning incentives, and providing consumers real advice and service is the need of the hour.

A huge entrepreneurial opportunity should you chose to accept.

Today's News

RBI makes card, online payments safer; customer liability cut

Electronic payments have become safer for consumers with the Reserve Bank of India (RBI) introducing the concept of 'zero liability' and 'limited liability' for bank customers for any card or online fraud.

The central bank has also made it mandatory for banks to register all customers for text message alerts and permit reporting of unauthorized transactions through a reply to the alert message.

Source- *The Economic Times*

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Yes Bank taps AI to directly offer small loans to students

Yes Bank has partnered with fintech startups like Redcarpetup, Anytime Loans and FRS Labs among few others to adopt innovative technology based solutions for various businesses, such as lending, anti-fraud detection and easier customer onboarding processes.

These are three of the 10 startups that were part of the bank's accelerator programme and are now in various stages of working with the lender.

Source- *The Economic Times*

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Andhra Pradesh has created an ecosystem for fintech success: J.A. Chowdary

Andhra Pradesh govt intends to catalyse fintech sector's growth by hosting global business competitions and awarding innovation, says J.A. Chowdary, special chief secretary and information technology adviser to Andhra Pradesh chief minister.

He acknowledged that India was lagging slightly behind other economies in the fintech race. But fintech has enabled the unbanked to be brought under the formal system, so "we have the potential to find robust and secure solutions" by incubating potential start-ups.

Source- *Mint*

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This News Letter has been prepared with the assistance of Pankaj Tadas and Manish Kulkarni

Amazon invests Rs 341 cr in wholesale business in India; to expand B2B services

Global giant Amazon has invested Rs 341 crore in Amazon Wholesale India, the wholesale B2B arm of Amazon India.

The fresh funding comes close to another investment of Rs 1,680 crore that Amazon made in the Indian online marketplace business. The investment of Rs 341 crore has been made by Amazon Corporate Holdings and Amazon.com.incs Ltd, regulatory filings with the Corporate Affairs Ministry showed.

Source- *First Post*

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Moglix raises \$12 m from IFC

Moglix, a B2B e-commerce start-up in the supply chain and manufacturing segment, has raised \$12 million from International Finance Corporation and Rocketship.vc, in a Series B round that also saw participation from existing investors.

Founded in 2015, Moglix had previously raised seed and Series A funding of \$6 million from venture capital firms such as Accel Partners, Jungle Ventures, SeedPlus and Venture Highway. Moglix is also backed by Ratan Tata.

Source- *Business Line*

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Fintech is now an innovator and enabler, says KPMG India's Neha Punater

Neha Punater, partner and head (digital strategy, innovation and fintech) at KPMG India said that there is something new in the fintech space every day. Traditionally, it was thought to be a disruptor but now it is an innovator and enabler.

"This industry is definitely a force to reckon with," Punater added, pointing out that the global annual growth of the fintech sector at 55% is not led by volume expansion but by investment, which shows investor confidence in the space.

Source- Mint

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Aadhaar gets praise at global forum for financial inclusion

As the world debates use of big data and analytics to improve financial inclusion, India's Aadhaar system has come in for praise by a global body on financial reforms for expanding banking reach and lesser use of cash.

In a progress report on efforts to assess and address the decline in correspondent banking, the Financial Stability Board (FSB) said its action plan in this regard is making good progress but the fall in numbers is continuing.

Source- The Economic Times

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Challenges ahead for fintech sector as initial excitement wanes

Consumers from unbanked markets have mostly benefitted from the advent of fintech companies, according to panellists at the Mint Fintech Summit held in Mumbai on 23 June.

Participants in a discussion on "How fintech is disrupting the financial sector", talked about the challenges that fintech firms will now face as the industry matures and the initial excitement over the disruption wanes.

Source- Mint

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Kaspersky flags cyber threats to digital India

India is one of the countries being largely targeted by cyber criminals, experts from Russian antivirus and cyber security firm Kaspersky Lab said at the Interpol World 2017 conference in Singapore.

While India's economy is growing fast, more people are getting access to the internet, large cities have 4G and Android devices are becoming popular. People need to be educated about antivirus solutions, and be made aware about not falling for phishing attacks.

Source- The Economic Times

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Paytm Mall to offer industry-focused learning to college students

Paytm Mall, owned by Paytm Ecommerce, has launched Campus Icon, a nationwide programme to offer industry-focused learning to college students. As a part of this six-week programme, student participants will be assigned variety of tasks that would enhance their skills.

The initiative will see Paytm Mall reaching out to over 10,000 students reaching out to over 10,000 students and inviting applications from across colleges.

Source- The Economic Times

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Indus OS partners with YES Bank to launch OS-integrated UPI platform

Indus OS has partnered with YES Bank to launch OS-integrated UPI (Unified Payment Interface) payment platform in India. Users with Indus OS will be able to use this UPI payment platform on SMS/messaging, dialler interface, and on third party apps like WhatsApp.

This means P2P transactions as well as utility payments can be made via SMS or messaging. The platform is expected to launch in this quarter.

Source- The Indian Express

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