

From Insight to Strategy

How financial institutions can move beyond topline metrics to uncover what deserves a closer look — before changing policy, process, data, or technology.

A practical framework for looking beneath lending metrics, identifying the questions worth investigating, and validating what deserves attention before deciding what comes next.

THE TOPLINE



WHAT IS HAPPENING UNDERNEATH IT

AN EXECUTIVE GUIDE FOR CREDIT UNION LENDING LEADERS

QUASH.AI

MODERN LENDING INTELLIGENCE FOR THE MODERN BORROWER

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A NOTE ON HOW TO READ THIS GUIDE

Each chapter stands alone. If you have five minutes, read the Executive Takeaway and the one-page worksheet in Chapter 11. If you have twenty, read it straight through.

EXECUTIVE SUMMARY

The executive takeaway

Lending leaders are not short on metrics.

Approval rates. Declines. Application volume. Delinquencies. Manual review. Portfolio growth. Credit tiers. Conversion. The reporting layer is rarely the constraint.

The harder question is often what those numbers actually mean — and whether they point to something that deserves action.

This guide offers a practical way to move from outcome, to pattern, to investigation, to validation, to strategy — without assuming at the outset that a policy, a process, a technology or a lending decision needs to change.

By the end, you will have a framework you can use with your own lending team to answer three questions.

1. What are we seeing?
2. What could be contributing to it?
3. What, if anything, should we validate before deciding what comes next?

The harder question is not what the numbers are. It is what they mean — and whether they point to something that deserves action.

CHAPTER 01

Two numbers. Two very different views.

Consider two figures from the National Credit Union Administration's first-quarter 2026 data.

Same market. Two measures.

Year-over-year loan growth, federally insured credit unions.

AGGREGATE — TOTAL LOANS OUTSTANDING

Growth in total dollars outstanding across the system, where larger balance sheets carry more weight.

4.6%

MEDIAN FEDERALLY INSURED CREDIT UNION

Growth at the institution sitting at the midpoint of the distribution.

0.6%

SOURCE: NCUA, FIRST-QUARTER 2026 DATA · BARS SCALED TO EACH OTHER

Neither number is more correct than the other. They are measuring different things. One describes growth in total dollars outstanding across the system, where larger balance sheets carry more weight. The other describes the experience of the institution sitting at the midpoint of the distribution.

NCUA's geographic data adds another layer. Median loan growth reached 5.4 percent in Vermont and 4.9 percent in Idaho, while median loans outstanding declined in 17 states and the District of Columbia.

The same year, state by state

5.4%

VERMONT

Highest median loan growth

4.9%

IDAHO

Second-highest median loan growth

17

STATES, PLUS D.C.

Median loans outstanding declined

SOURCE: NCUA, FIRST-QUARTER 2026 DATA

The data does not establish why those differences occurred. But it demonstrates something useful for lending leaders.

The topline can tell you what happened without telling you what is happening underneath it.

The same principle applies inside a lending organization.

- An approval rate tells you how many applications were approved.
- A decline rate tells you how many were not.
- A manual-review rate tells you how frequently another level of evaluation was required.
- A delinquency rate tells you something about portfolio performance.

Each is useful. None, by itself, provides the explanation. That is where the analysis starts.

CHAPTER 02

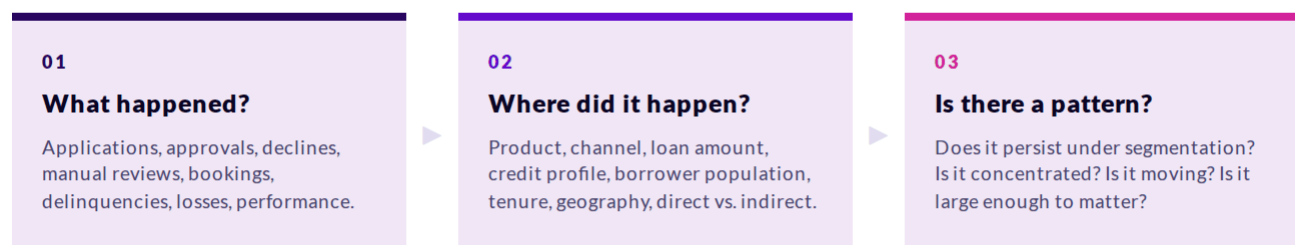
Start with the outcome — not the assumption

Suppose your approval rate changes. The temptation is to explain it immediately.

Maybe credit policy is too restrictive. Maybe borrower quality changed. Maybe demand shifted. Maybe a particular population is difficult to evaluate. Maybe the decisioning process needs to change.

Maybe. But the metric itself has not established any of those things. A better starting point is a sequence of three questions, asked in order.

Three questions, in order



A pattern is not automatically a problem. It is a reason to ask another question.

1. What happened?

Begin with the observable outcomes rather than the explanations: applications, approvals, declines, manual reviews, bookings, delinquencies, losses and performance.

2. Where did it happen?

Then segment. The same topline figure can conceal very different behavior across:

▪Product	▪Channel	▪Loan amount
▪Credit profile	▪Borrower population	▪Customer or member tenure
▪Geography	▪Direct versus indirect	▪Other institution-specific segments

3. Is there actually a pattern?

- Does the difference persist when you segment the data?
- Is it concentrated somewhere?

▪ Is it changing over time?

▪ Is the difference large enough to matter?

CHAPTER 03

The four-lens lending diagnostic

Once you have identified something worth understanding, resist jumping directly to a solution. Examine it through four lenses instead.

The four-lens lending diagnostic

Four questions to narrow the question — not four predetermined diagnoses.

01 RISK What does the available evidence tell us about performance and risk?	02 POLICY Is the outcome an intended result of our lending policy?
03 PROCESS Could something in the lending process be contributing to the outcome?	04 INFORMATION What information was actually available when the consumer was evaluated?

A lending pattern could involve one lens, several — or something else entirely.

01 Risk

What does the available evidence tell us about performance and risk?

- Does observed performance support the way the institution currently evaluates the population?
- Are there meaningful differences in delinquency, losses or other relevant outcomes?
- What do we know, and what are we assuming?

02 Policy

Is the outcome an intended result of our lending policy?

- Are existing rules producing the result they were designed to produce?
- Are knockout criteria involved?
- Is the population being treated differently because of an intentional policy requirement?
- If so, is that policy still accomplishing its intended purpose?

03 Process

Could something in the lending process be contributing to the outcome?

- Where does manual review occur?

- Are applications stalling at a particular point?
- Are documentation requirements contributing?
- Are there operational or technology considerations involved?

04 Information

What information was actually available when the consumer was evaluated?

- Was the traditional credit picture extensive, or was it limited?
- Are certain populations consistently evaluated with less information than others?
- Could another source of information add anything meaningful?

THE IMPORTANT PART

These are not four predetermined diagnoses. They are four questions.

The objective is to narrow the question before choosing the response.

CHAPTER 04

When less information is the issue

The information lens becomes particularly interesting when traditional credit history is limited.

Consumer Financial Protection Bureau analysis of credit-record data indicates that approximately 32 million U.S. adults are unscorable using traditional credit scoring — including roughly 7 million credit-invisible adults and 25 million adults with thin credit files.

Where the traditional credit picture runs out

U.S. adults who cannot be scored with traditional credit scoring.

32M adults unscorable using
traditional credit scoring



SOURCE: CFPB ANALYSIS OF CREDIT-RECORD DATA · FIGURES APPROXIMATE

That tells us something very specific: traditional credit information is limited or unavailable for a significant population. It does not tell us whether those consumers are good or bad borrowers.

A consumer may be new to credit. They may be thin-file, using an ITIN, recently arrived in the United States, working in the gig economy, or simply have limited experience with traditional credit products.

Less information is not automatically evidence of greater risk. It is not evidence of lower risk either.

It means there may be an information question worth investigating: what else, if anything, can we responsibly learn?

CHAPTER 05

What happens when you add another layer?

This is not purely theoretical.

Across Quash's broader international work, financial institutions have tested additional information and analytics in lending environments involving consumers with limited traditional credit histories.

The implementations, products, markets and Quash solutions differ, so these are not benchmarks for what another institution should expect. But they demonstrate why testing the hypothesis can be worthwhile.

What has happened when institutions added another layer

180+**APPLICATIONS PER MONTH**

Applications involving incomplete credit histories assessed as part of a new consumer lending program.

+33%**APPROVAL**

A custom model combined with inclusion information; reported default risk remained steady.

+40%**INCLUSION**

Additional access opened within a previously declined population; reported delinquency remained between 3% and 5%.

Illustrative outcomes from Quash's broader international work. Implementations, products, markets and Quash solutions differ. These are not benchmarks, projections or promises for any other institution.

These are not promises, and the takeaway is not that every lender has a similar opportunity. The more useful takeaway is narrower.

**Different information can sometimes produce a different view of a population.
The only way to know whether it does in your environment is to test it.**

CHAPTER 06

Declines are a dataset — not a conclusion

Declined applications are often discussed as missed opportunity. That is an assumption.

A declined application may represent a consumer who fell outside the institution's risk appetite. It may reflect a clear policy requirement. It may involve a knockout criterion. Or the lender may simply have had limited information available.

Four things a declined application can mean

The mix is what the analysis is for. Nothing here implies how often each occurs.

A**Outside risk appetite**

The consumer fell outside the parameters the institution has set.

B**A policy requirement**

The decision reflects a clear, intentional lending rule.

C**A knockout criterion**

A single disqualifying condition ended the evaluation.

D**Limited information**

The lender simply did not have much to evaluate.

A decline is not automatically a missed opportunity. But it is still data.

Looking at the decline population can help distinguish among those possibilities. Start with questions.

- Why are applications being declined?
- Which reasons appear most frequently?
- Do those reasons change by product or population?
- Where is limited credit history involved?
- Which declines resulted from clear risk indicators or policy requirements?
- Which populations, if any, warrant another look?

The objective is not to prove that an institution should have approved more consumers. It is to understand the population well enough to determine whether there is anything left to investigate.

CHAPTER 07

Manual review is a signal, too

Manual review often enters modernization conversations as an efficiency metric.

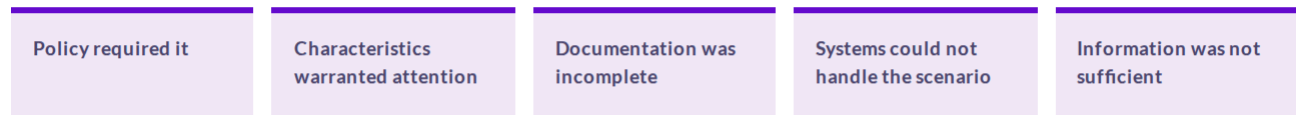
How much can we automate? How quickly can we make a decision? How many applications require human intervention?

Those are useful questions. But there is another one: why did the application need manual review?

Maybe policy required it. Maybe the application contained characteristics that warranted additional attention. Maybe documentation was incomplete. Maybe existing systems could not confidently handle the scenario. Or maybe the information available was not sufficient to create confidence.

Then look for concentration.

Why did the application need manual review?



Look for concentration

If manual review is disproportionately associated with a particular product, population or credit profile, that does not tell you what the solution is. It tells you where to investigate.

CHAPTER 08

Before you change anything, validate

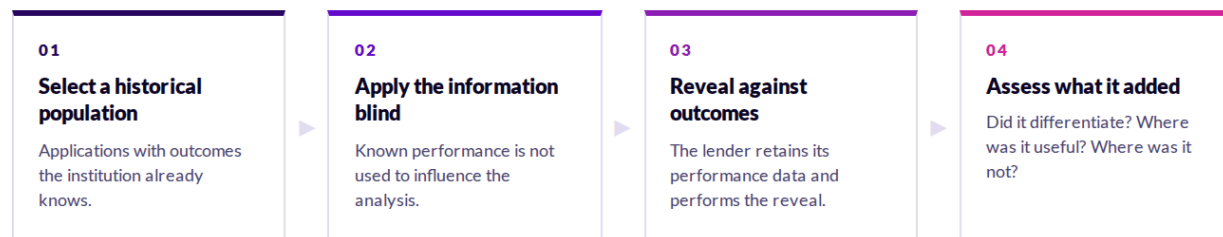
Finding an interesting pattern does not automatically justify changing policy.

Neither does an industry statistic, a technology demonstration, a vendor case study — or even the Quash results in this guide.

The question that matters is narrower: does this add meaningful information in our lending environment?

Where historical outcomes exist, you can test that question. Take a historical population. Apply the additional information without using known performance to influence the analysis. Then compare.

How a blind historical validation works



VALIDATION ONLY

The backtest is not used to make live lending decisions. Its purpose is to determine whether there is evidence supporting further evaluation.

Then ask

- Did the information differentiate among consumers?
- Did it tell us something we did not already know?
- Where was the additional information most useful?
- Where did it add little or nothing?
- Did the results support our original hypothesis, or challenge it?

For the Global Inclusion Score, Quash can conduct a blind historical validation using email and phone, while the lender retains its underlying performance outcomes and performs the reveal against those outcomes. That distinction matters: the purpose is not to change lending, but to determine whether there is evidence supporting further evaluation.

CHAPTER 09

Three valid outcomes

A good analysis does not have to end with “we found an opportunity.” There are at least three useful outcomes.

Three valid outcomes

Outcome 01**INVESTIGATE**

We found a pattern, but we do not yet understand it.

More analysis is needed before drawing a conclusion.

Outcome 02**VALIDATE**

We have a specific hypothesis worth testing.

Historical validation can help determine whether it is supported.

Outcome 03**CONFIRM**

The evidence supports what we are already doing.

There is not currently enough evidence to justify a change.

That third outcome matters. If the analysis shows that existing policy, information and lending outcomes are aligned with the institution’s objectives, that is valuable. You have just learned where not to spend time, money or organizational energy.

Good analysis does not exist to justify change. It exists to reduce uncertainty.

CHAPTER 10

The lending strategy diagnostic

This is the part of the guide to bring into your next lending leadership meeting.

Start with one outcome, one population or one part of the lending funnel you want to understand — then work through the questions in order.

1 Outcome — what are we seeing?

- What changed?
- How significant is the difference?
- Is it persistent?
- What does the historical trend look like?

2 Population — where is it happening?

Is it concentrated by product, credit profile, loan amount, channel, borrower population, customer or member tenure, or another relevant segment?

3 Risk — what does performance tell us?

- What evidence do we have?
- Does historical performance support our assumptions?
- What do we not know?

4 Policy — is this the intended result?

- Which policies or rules are involved?
- Are they producing the result they were designed to produce?
- Is there a reason to investigate further?

5 Process — where does the workflow matter?

- Where does manual review occur?
- Where do applications stall?
- Are operational requirements influencing the outcome?

6 Information — what did we know?

- What information was available at the time of evaluation?
- Where was the traditional credit picture limited?
- Could additional information answer a question we cannot answer today?

7 Validation — what can we test?

- Can the hypothesis be evaluated historically?
- What result would support it?
- What result would challenge it?

8 Strategy — would the answer change anything?

If the hypothesis is supported, what would we actually do? Further validation? A controlled pilot? A policy review? A process change? Nothing?

A USEFUL FILTER

If the answer would not affect the strategy, ask whether the analysis deserves priority.

CHAPTER 11

Put it on one page

Your lending strategy conversation starter

THE OUTCOME What are we seeing?	
THE PATTERN Where is it concentrated?	
RISK What does performance tell us?	
POLICY Is the outcome intentional?	
PROCESS Could workflow be contributing?	
INFORMATION What did we know — and what did we not know?	
THE HYPOTHESIS What do we think may be happening?	
THE TEST How could we validate that?	
THE DECISION If we are right, what would we actually do differently?	

THEN CHOOSE

- ☐ **INVESTIGATE** — We need to understand the pattern better.
- ☐ **VALIDATE** — We have a hypothesis worth testing.
- ☐ **CONFIRM** — The evidence currently supports our existing approach.

CHAPTER 12

From insight to strategy

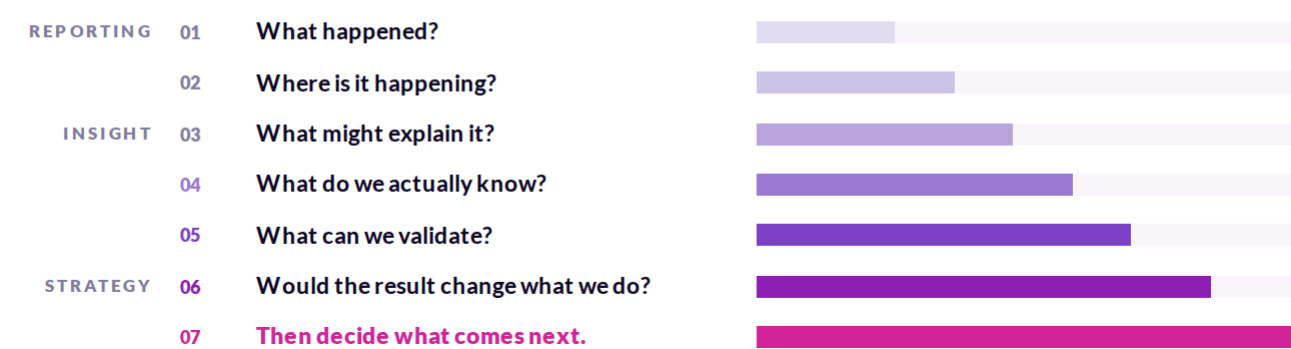
The lending strategy conversation can easily begin with a solution.

“We need AI.” “We need more automation.” “We need alternative data.” “We need another model.” “We need to approve more.”

Maybe. But those statements skip several important questions. A more disciplined sequence looks like this.

From reporting to insight to strategy

A more disciplined sequence than beginning with the solution.



That is the difference between reporting and insight — and between insight and strategy.

The objective is not automatically more technology. It is not automatically more approvals. And it is not change for the sake of change. It is understanding the lending environment well enough to make a more informed decision about what comes next.

APPENDIX A

Where the Global Inclusion Score fits

When the investigation points toward an information question, the Global Inclusion Score provides one additional source of insight that can be evaluated.

Using an email address and phone number already possessed by the financial institution, Quash evaluates more than 140 public digital signals associated with that identity to provide an additional digital-identity perspective.

The Global Inclusion Score is designed to complement the information and lending processes an institution already uses. The question is not whether every institution needs it. The question is much narrower.

Does this additional information tell your institution something useful about a population that is difficult to evaluate today?

That is something we can test.

APPENDIX B

Complimentary lending analysis

Quash is offering financial institutions a complimentary lending analysis to help identify areas within the lending environment that may warrant deeper investigation.

We start with the institution's environment rather than a predetermined recommendation.

The analysis can examine lending outcomes, populations, decline patterns, manual review and potential information gaps to help identify which questions — if any — deserve further validation.

Where an information question emerges, historical validation can then be used to evaluate whether the Global Inclusion Score adds meaningful insight.

- 01 **Start with the data.**
- 02 **Find the question.**
- 03 **Test the hypothesis.**
- 04 **Then decide what comes next.**

APPENDIX C

About the Global Inclusion Score

The Quash Global Inclusion Score provides an additional digital-identity perspective for lenders to evaluate.

Using an email address and phone number already possessed by the financial institution, Quash evaluates more than 140 public digital signals associated with that identity.

The Global Inclusion Score is intended to provide decision-support information alongside an institution's existing lending information and processes.

SOURCES

Figures cited in this guide are drawn from NCUA first-quarter 2026 data and Consumer Financial Protection Bureau analysis of credit-record data.

Quash implementation results referenced in Chapter 5 are illustrative of prior international work and are not benchmarks, projections or promises of outcomes for any other institution.

APPENDIX D

About the author

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Ruthie works with credit union leaders to explore how data, predictive intelligence and AI can support more informed lending decisions, expand financial inclusion and drive responsible growth. Her work focuses on helping institutions better leverage both traditional and alternative data to uncover opportunities that may not be visible through conventional underwriting alone.

She has held leadership roles across financial technology, market research, public relations and operations. Since entering fintech and financial services, she has focused on helping financial institutions evaluate, validate and adopt data-driven technologies.

Her approach centers on a principle reflected throughout this guide: the strongest lending strategies begin with better data. Modernization should start with the lending challenge, be validated using each institution's own portfolio and performance data, and apply predictive intelligence where it delivers measurable business value.

DISCLAIMER

This guide is provided for informational purposes only and does not constitute legal, compliance, regulatory or credit-policy advice. Any use of alternative data in credit decisioning should be reviewed with your institution's compliance, fair lending and model risk management functions.

Statements regarding the Global Inclusion Score describe intended design and use; performance for any individual institution should be established through validation against that institution's own historical data. Financial institutions remain responsible for their lending policies, lending decisions and applicable legal and regulatory obligations.

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