Payliance™

PaySuccess

Transform potential failed transactions into successful partial payments.

Partial authorization. More recoveries. Fewer charge-offs.

The Challenge

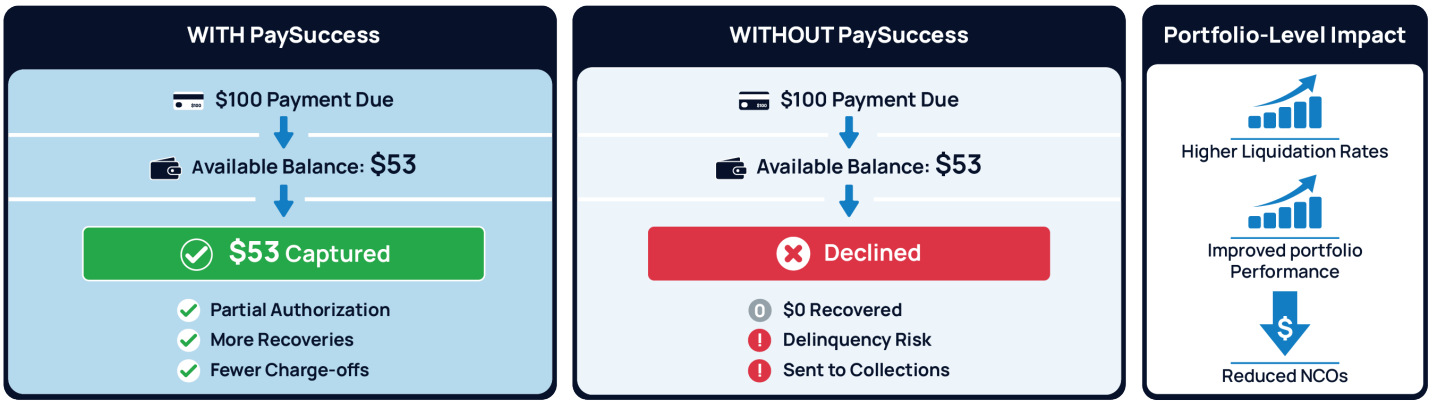
When a borrower's account can't cover a full scheduled payment, today's payment rails offer lenders a binary outcome: collect in full or collect nothing. There is no middle ground. For lenders managing large consumer loan portfolios, this constraint compounds into measurable financial drag: lower liquidation rates, rising net charge-offs (NCOs), and increased collections and default costs. The problem is particularly acute in sub-prime lending, where borrowers are often close to payment but fall short by a modest amount, and where long-term repeat relationships are central to lender profitability.

The PaySuccess Solution

PaySuccess from Payliance is a partial authorization solution that eliminates the all-or-nothing constraint from repayments using debit cards. When a full payment cannot be processed, PaySuccess can capture a lesser amount in the borrower's account, turning a failed $0 transaction into a real, immediate recovery. Available for consumer installment loans, lines of credit, and single-pay products, PaySuccess works within existing Loan Management System infrastructure, requires no change to borrower behavior, and gives lenders a practical tool to optimize collections and improve cash flow.

How It Works

Consider a borrower with a $100 scheduled payment whose account holds only $53. Without PaySuccess, the transaction fails entirely and the lender recovers nothing. With PaySuccess, $53 is captured immediately. The lender books a real payment, the borrower makes a meaningful payment toward their balance, and the account is less likely to escalate into the collections pipeline. That dynamic, repeated across thousands of accounts in a portfolio, drives meaningful improvement in liquidation rates, portfolio performance, and a direct reduction in NCOs while reducing the likelihood of default escalation and keeping more accounts performing.



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Key Benefits for Lenders

1. **Improved Liquidation Rates** PaySuccess converts failed debit transactions into partial recoveries. Across a portfolio, even a modest increase in partial capture rates produces measurable gains in monthly liquidation performance and cash flow, recovering dollars that would otherwise be written off if not collected in the recovery waterfall. The financial case is straightforward: a partial payment is always better than $0, and earlier recovery reduces reliance on more aggressive and costly collection methods. This improvement in payment efficiency can have a substantial impact on revenue.

   PaySuccess also reduces wasted authorization costs. Sub-prime lenders typically see a 3 to 4 to 1 authorization-to-settlement ratio, meaning a significant share of auth fees generate no recovery. Capturing a partial payment converts those otherwise sunk costs into real settlements.

2. **Reduced Net Charge-Offs** By recovering partial payments earlier in the delinquency cycle, PaySuccess reduces the pool of accounts that progress to charge-off. The net effect is a lower NCO rate, improved portfolio quality metrics, and a potential reduction in the cost of capital. These are outcomes that matter to lenders, investors, and regulators alike.
3. **Lower Default and Collections Costs** Borrowers who make partial payments reduce their delinquency exposure and are less likely to escalate into costly default processes. For sub-prime lenders, profitability is often not realized until the second or third loan to a single borrower, making it critical to keep those relationships intact. PaySuccess supports that goal by turning a $0 outcome into a payment that keeps the account active.
4. **Compliant and Built to Scale** Partial authorization on debit card rails is a fully compliant payment method when paired with appropriate language in the loan origination agreement. Leading Loan Management Systems already support the partial payment processing mechanics lenders need, whether re-amortizing the remaining balance or carrying it as outstanding, making implementation more straightforward than some lenders may expect. PaySuccess is available directly through Payliance with flexible integration options and comprehensive transaction reporting and analytics to support portfolio decision-making.

Strategic Advantages



Improved Payment Performance: PaySuccess converts failed debit attempts into partial recoveries, measurably improving payment success rates across the portfolio.



Flexible Implementation: Available directly through Payliance or via LMS partners, with integration options designed to fit existing operational infrastructure.



Advanced Reporting and Analytics: Detailed transaction reporting provides insight into partial payment volumes, success rates, and recovery trends to support data-driven portfolio decisions.

Next Steps

Ready to turn failed debit transactions into recoveries? **Scan the QR code** below to book a consultation and learn how PaySuccess can improve liquidation rates and reduce NCOs across your portfolio.

To learn more, scan the QR code and complete a brief form to get started.

About Payliance

Payliance, founded in 2007, simplifies lending and borrowing by optimizing payment acceptance, reducing processing costs, and mitigating fraud risk. Serving 350+ lenders and 40,000+ merchant locations, they process 203 million transactions annually worth $92 billion. Their Payments-as-a-Service platform boosts payments performance by increasing approvals, streamlining transaction processing, and reducing charge-offs.