Payliance™

Least Cost Routing (LCR)

Reduce Debit Processing Costs with Optimized Routing



Payliance's Least Cost Routing (LCR) reduces payment fees by leveraging low-cost EFT networks, improving cash flow, and streamlining operations. This cost-effective solution boosts margins and supports growth without compromising reliability.

Rising Costs in Debit Payment Processing

Consumer installment lenders face growing challenges in controlling operational costs, especially when it comes to payment processing. Traditional debit card networks like Visa and MasterCard impose high interchange fees, which cut into profit margins. For many lenders, particularly those serving borrowers with subprime credit, these costs can feel unavoidable.

Adding to the complexity, certain lenders—such as those offering payday or title loans—are excluded from interchange discount programs, leaving them with even fewer options to minimize fees. Geographic variability in network coverage further complicates cost management, as lenders must often balance cost efficiency with ensuring full payment coverage for their borrowers.

Payliance's Least Cost Routing (LCR)

Payliance offers a solution to this pressing issue: **Least Cost Routing (LCR)**. LCR optimizes payment processing by prioritizing regional EFT networks (such as NYCE, Pulse, and Star) instead of traditional card networks. By leveraging these networks, lenders can achieve significant savings while maintaining reliable and secure payment acceptance.

How It Works:

1. **Route Smarter, Pay Less:** LCR routes debit transactions through EFT networks where fees are substantially lower than Visa or MasterCard.
2. **Regional Optimization:** Payliance's infrastructure allows registration with multiple networks to maximize coverage.
3. **Streamlined Integration:** With existing credentials across core EFT networks, Payliance enables seamless onboarding for lenders and helps manage the registration process.

Key Value Drivers for Lenders

1. **Significant Cost Savings**
   - For lenders ineligible for Visa or Mastercard interchange discount programs, LCR offers a cost-effective alternative.

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- Example: A $200 transaction routed through EFT networks can lower fees from $3.45 (traditional networks) to as little as $1.45.

2. **Improved Cash Flow and Predictable Costs**
   - Predictable, capped fees simplify financial forecasting and cash flow management.
   - Faster settlements and real-time payment confirmations support better liquidity management compared to other payment methods.
3. **Operational Efficiency**
   - LCR reduces overall payment processing costs, enhancing the lender's ability to reinvest in growth.
   - Broader acceptance of cost-efficient debit payments improves borrower satisfaction, aligning with business goals to scale customer loyalty.

Why Payliance?

- **Proven Expertise:** Payliance has been a leader in payment optimization since 2007, serving leading lenders across the U.S.
- **Seamless Implementation:** Payliance handles all aspects of network credentialing and onboarding, removing operational complexity for lenders.
- **Transparent Savings:** Unlike competitors, Payliance passes the savings back to lenders with no hidden fees.
- **Security Built-In:** All transactions are secured through tokenization and advanced fraud protection, ensuring compliance and data integrity.

Start Saving Today

Don't let high payment processing fees erode your margins. Payliance's Least Cost Routing solution delivers immediate and measurable cost savings while simplifying your operations.

To see how LCR can optimize your payment processing strategy, connect with our experts, to schedule a consultation or request a cost-savings analysis.

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.