ABSTRACT

LOAN PORTFOLIO MANAGEMENT AND AUTOMATIC LOAN PAYMENT METHOD AND SYSTEM

A method and system is disclosed for a financial institution lender to manage a portfolio of loans and perform automatic loan repayment thereon. The repayment of the loan is made automatic when, upon a risk analysis of the merchant borrower's card transactions, a correlation is drawn between each merchant's card transaction activity processed through the bank lender's card processing facilities and the merchant's ability to repay the loan with the bank lender. The information is integrated from the card transaction business systems within the bank lender and applied to the loan repayment management process within the bank lender for risk analysis of the merchant's ability to repay the loan. If it is determined upon analysis that the risk is high or greater than had been envisaged, all or a portion of the settlement payment is applied to reduce the obligation owed by the merchant borrower to the bank lender.

FIG. 4