



## Microfinance Case Study

# Virtual Inspections Deliver Multiple Order Benefits Microfinance Institutions and Borrowers

### THE PROBLEM

**Microloans provide crucial access to capital for small businesses and vulnerable communities but are uniquely sensitive to loan processing fees. Even the smallest transaction cost can amount to a significant percentage of the microloan itself.**

Sensitivity to transaction costs limits the geographic and demographic scope of programs. For borrowers, processing fees are often taken out of the loan and raise effective interest rates. As a result, lenders miss out on a large segment of the market, and many borrowers are excluded from the opportunity to access capital.

On-site, in-person inspections are used to verify assets, collateral, and the proper use of the loan proceeds, but can take up to 3 days and require human capital, vehicles, and fuel. The out-of-pocket cost to the borrower of an in-person inspection can be up to \$300. Hidden costs from childcare or missed wages can add an additional burden for borrowers during in-person inspections.

The time and expense of in-person inspections limit lenders' reach, placing many potential beneficiaries and customers outside their service areas.

### THE SOLUTION

**Replacing in-person inspections with photo and video comes with inherent risk given the ease with which bad actors can alter digital photos and their metadata (date, time, and location).**

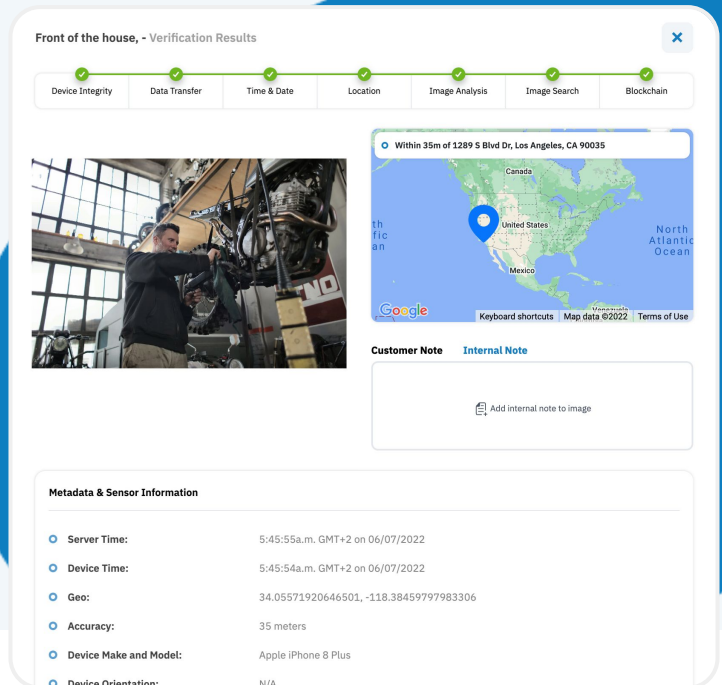
Without authenticated imagery, lenders cannot trust images and must rely on arcane in-person inspections, with all their limitations.

Truepic's controlled capture technology eliminates this risk and empowers lenders to conduct low-cost, high-fidelity virtual inspections at scale.

Truepic triggers a virtual inspection via text message to the borrower's phone. The borrower is guided through an intuitive process to capture and submit the photo and video inspections required by the lender. The date, time, location, and visual integrity of each photo and video are immutably sealed.

Truepic's digital inspection platform allows the lending process to go virtual, saving microlenders and borrowers precious time and money.

The impact of high-fidelity virtual inspections goes far beyond cost reduction. This innovation is driving significant changes in the lending industry and giving early adopters a significant competitive advantage.



## THE IMPACT

- Reduces effective interest rates **by 3.8% on \$5,000** loans for microfinance and development lending, on average
- Time spent on inspections reduces from **3-5 days to minutes**
- Provides underserved populations with greater access to capital by reducing overall loan processing costs and expanding lending geography
- Allows for inspections to take place anywhere in the world with internet access, instead of only areas within driving distance
- Reduces the risk of implicit, or unconscious, bias in lending practices by eliminating the need for in-person inspector-borrower interactions
- Enhances efficiency as lenders recover time and resources spent on inspections
- Allows micro-lending programs to scale as inspections are processed quickly, efficiently, and simultaneously
- Virtual inspection for over **5,000 small loans**, saved over 100 metric tons of carbon emissions



## About Truepic

Truepic develops the world's most secure camera technology for mobile devices. We empower viewers to make better-informed decisions through high integrity photos & videos. Truepic Vision, our flagship product, enables our partners to instantly gather and view trusted visual documentation from anywhere in the world. Our team is dedicated to restoring trust in every pixel of consequence, with the goal of having a shared sense of visual reality across the internet.

“Verified inspections through Truepic Vision enable Opportunity Fund to expand our impact across geographies while maintaining adequate control in our loans review process.”

**Anthony Giuliano**  
Director of Underwriting and Credit Policy,  
Opportunity Fund



To learn more about Truepic or to request a demo, please contact:

