

nCino 301 Commercial Banking Configuration Practice Exam (Sample)

Study Guide



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Questions

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- 1. What is meant by "Compliance Tracking" in nCino?**
 - A. Ensuring marketing strategies are up to date**
 - B. Monitoring adherence to regulatory requirements**
 - C. Tracking system performance over time**
 - D. Documenting client feedback for improvement**
- 2. True or False: You must manually update changes in the Loan record after submitting a Change Memo.**
 - A. True**
 - B. False**
 - C. It depends on the system settings**
 - D. This is only necessary for approved loans**
- 3. Which statement regarding the enhanced workflow for the Borrowing Structure page is true?**
 - A. Admins can remove the Add Signer button from the page**
 - B. Users can build out a multi-tiered borrowing structure without duplication of contact records**
 - C. Household relationships are included in the Search and Suggested results**
 - D. All of the above**
- 4. How does nCino facilitate integration with third-party services?**
 - A. Through manual uploads of data spreadsheets**
 - B. Via APIs that allow seamless communication and data exchange with external systems**
 - C. Using email protocols for data transfer**
 - D. By requiring direct human intervention for data sharing**
- 5. What type of data analytics can be accessed within the nCino platform?**
 - A. Historical loan trends and market forecasting**
 - B. Real-time insights on loan performance, customer behavior, and operational efficiency**
 - C. Static reports on completed loans only**
 - D. Predictive analytics on future banks' stock prices**

- 6. Which statement about the Financial Indicator Covenant is true?**
- A. It is only relevant for larger loans**
 - B. It helps monitor specific financial metrics**
 - C. It is optional for loan agreements**
 - D. It does not impact covenant compliance**
- 7. On which object should conditional display criteria be configured for conditional route rendering?**
- A. Route Group**
 - B. Loan Record**
 - C. Application Object**
 - D. Contact Record**
- 8. What is the term used to notate the reasons for the denial of the loan?**
- A. Rejection Note**
 - B. Denial Memo**
 - C. Adverse Action**
 - D. Loan Decline**
- 9. How can nCino assist banks in developing marketing strategies?**
- A. By reducing the need for mobile banking solutions**
 - B. By providing data insights on customer preferences**
 - C. By increasing loan processing speed**
 - D. By enhancing security measures for customer data**
- 10. Is it best practice to launch the Review process from both the Product Package and Relationship records?**
- A. True**
 - B. False**
 - C. Only from Product Package**
 - D. Only from Relationship records**

Answers

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- 1. B**
- 2. B**
- 3. D**
- 4. B**
- 5. B**
- 6. B**
- 7. A**
- 8. C**
- 9. B**
- 10. B**

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Explanations

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1. What is meant by "Compliance Tracking" in nCino?

- A. Ensuring marketing strategies are up to date**
- B. Monitoring adherence to regulatory requirements**
- C. Tracking system performance over time**
- D. Documenting client feedback for improvement**

"Compliance Tracking" in nCino refers specifically to the process of monitoring adherence to regulatory requirements. This function is crucial in the commercial banking environment, where institutions must abide by a multitude of regulations to ensure that they operate within legal frameworks and maintain the trust of customers and regulators alike. In nCino, compliance tracking encompasses various activities, such as maintaining records of compliance-related tasks, automating alerts for compliance deadlines, and facilitating audits. By effectively tracking compliance, banks can reduce the risk of penalties or legal issues associated with non-compliance. The system ensures that all team members are aware of their responsibilities regarding compliance and have access to necessary information and documentation. This focus on regulatory adherence helps institutions align their operations with best practices and legal requirements, contributing to better risk management and operational efficiency. Thus, compliance tracking is a critical component of nCino's capabilities in supporting commercial banking institutions.

2. True or False: You must manually update changes in the Loan record after submitting a Change Memo.

- A. True**
- B. False**
- C. It depends on the system settings**
- D. This is only necessary for approved loans**

The assertion is false because the nCino platform is designed to streamline and automate processes related to loan management, including handling changes via a Change Memo. When a Change Memo is submitted, it triggers automatic updates to the associated Loan record. This automation alleviates the need for manual updates, thereby enhancing efficiency and reducing the potential for human error. The system's configuration typically allows these changes to be reflected in the Loan record without requiring manual intervention. As a result, users can focus on more critical tasks, knowing that the system will manage the necessary updates automatically after a Change Memo submission.

3. Which statement regarding the enhanced workflow for the Borrowing Structure page is true?

- A. Admins can remove the Add Signer button from the page**
- B. Users can build out a multi-tiered borrowing structure without duplication of contact records**
- C. Household relationships are included in the Search and Suggested results**
- D. All of the above**

The enhanced workflow for the Borrowing Structure page incorporates several significant features that streamline the user experience and improve overall functionality. Firstly, the ability for administrators to remove the Add Signer button from the page allows for customization of the interface. This means that organizations can tailor the workflow according to their internal processes or user needs, thereby enhancing usability and aligning with specific operational requirements. Secondly, users can build out a multi-tiered borrowing structure without duplicating contact records, which is a critical feature in maintaining data integrity. This functionality helps prevent confusion and ensures that all relevant contacts are easily accessible without the clutter of multiple entries for the same individual. Additionally, the inclusion of household relationships in the Search and Suggested results expands the user's ability to quickly find and link to related parties. This is particularly useful in commercial banking where relationships often span multiple individuals and organizations. All these points contribute to a cohesive and efficient workflow, making it clear that the enhanced Borrowing Structure page includes multiple advantages that benefit users and administrators alike. Therefore, stating that all of the mentioned features are true recognizes the comprehensive enhancements made to the workflow.

4. How does nCino facilitate integration with third-party services?

- A. Through manual uploads of data spreadsheets**
- B. Via APIs that allow seamless communication and data exchange with external systems**
- C. Using email protocols for data transfer**
- D. By requiring direct human intervention for data sharing**

nCino facilitates integration with third-party services primarily through APIs that enable seamless communication and data exchange with external systems. APIs, or Application Programming Interfaces, are critical for enabling different software applications to interact with each other. They allow nCino to connect and exchange data in real-time with various financial services and tools, which enhances the efficiency and effectiveness of banking operations. Using APIs allows for automated and streamlined processes, reducing the need for manual work and increasing data accuracy by minimizing human error. Organizations can leverage APIs to integrate nCino with other platforms, ensuring that they can access a wide array of services and data sources without the delays or complications that manual methods would entail. This capability supports a more cohesive digital environment where clients can enjoy better service and banks can operate more efficiently.

5. What type of data analytics can be accessed within the nCino platform?

- A. Historical loan trends and market forecasting**
- B. Real-time insights on loan performance, customer behavior, and operational efficiency**
- C. Static reports on completed loans only**
- D. Predictive analytics on future banks' stock prices**

The nCino platform is designed to provide comprehensive, real-time insights that are critical for informed decision-making in commercial banking. This includes analyzing loan performance, monitoring customer behavior, and assessing operational efficiency. Such real-time insights allow banks to respond quickly to changing conditions, optimize their processes, and improve customer engagement. By contrast, the other options do not capture the full scope of nCino's analytics capabilities. Historical loan trends and market forecasting focus on past data rather than real-time analysis. Static reports on completed loans only limit the information to previously closed deals without providing ongoing insights. Predictive analytics on future banks' stock prices lie outside the primary focus of nCino's services, which are more centered on operational insights rather than stock market predictions. This emphasis on real-time capabilities aligns with nCino's purpose of enabling banks to improve their workflow and customer relationships effectively.

6. Which statement about the Financial Indicator Covenant is true?

- A. It is only relevant for larger loans**
- B. It helps monitor specific financial metrics**
- C. It is optional for loan agreements**
- D. It does not impact covenant compliance**

The Financial Indicator Covenant is a key component in loan agreements that serves to monitor specific financial metrics of the borrower. This is crucial for lenders as it allows them to assess the ongoing financial health and performance of the borrower throughout the life of the loan. By establishing specific financial indicators, lenders can identify potential risks and ensure that the borrower adheres to the terms of the loan, protecting the interests of both parties. This proactive approach enables lenders to intervene early if a borrower's financial situation begins to deteriorate, potentially averting default. The focus on monitoring specific financial metrics is essential in the context of commercial banking, where understanding a borrower's financial trajectory can significantly impact lending decisions and risk management practices.

7. On which object should conditional display criteria be configured for conditional route rendering?

- A. Route Group**
- B. Loan Record**
- C. Application Object**
- D. Contact Record**

The correct choice is the Route Group because this object holds the rules and settings that determine how routes are displayed and navigated within the nCino commercial banking platform. Conditional display criteria are essential for managing the visibility of different routes based on specific conditions or attributes of a loan or application. By configuring these criteria within the Route Group, you streamline the user experience and ensure that only relevant routes appear based on the current context or selected options. Configuring conditional display criteria on the Route Group allows for a more dynamic and tailored workflow, adapting to the needs of the user or the situation at hand, rather than one-size-fits-all navigation paths that may confuse or overwhelm. This setup is crucial for optimizing efficiency and ensuring that users engage with the system effectively.

8. What is the term used to notate the reasons for the denial of the loan?

- A. Rejection Note**
- B. Denial Memo**
- C. Adverse Action**
- D. Loan Decline**

The term "Adverse Action" is the correct choice as it specifically relates to the legal and regulatory requirement for lenders to notify applicants when their loan application is denied or adverse action is taken. This terminology is commonly used in the context of lending and is aligned with the Equal Credit Opportunity Act (ECOA), which mandates that lenders provide a notice of adverse action that explains the reasons for the denial. This ensures transparency and allows applicants to understand why their application was not approved, which is crucial for maintaining trust and compliance within the lending process. The other terms might not capture the regulatory aspect or standardized terminology used in financial services. For instance, while a "Rejection Note" or "Loan Decline" might convey the general idea of a loan being denied, they do not have the specific legal implications or requirements associated with them. Similarly, "Denial Memo," while it suggests an internal document or communication, does not reflect the formal terminology required in the context of lending regulations.

9. How can nCino assist banks in developing marketing strategies?

- A. By reducing the need for mobile banking solutions
- B. By providing data insights on customer preferences**
- C. By increasing loan processing speed
- D. By enhancing security measures for customer data

nCino plays a crucial role in assisting banks with their marketing strategies, primarily through its ability to provide data insights on customer preferences. This functionality enables banks to understand their customer base better, including which products or services are most appealing, how customers interact with those offerings, and what specific needs or challenges they face. With this rich dataset, banks can tailor their marketing campaigns, create targeted promotions, and refine their messaging to meet the specific desires of distinct customer segments. The insights can also help in identifying potential cross-selling opportunities, allowing banks to proactively reach out to customers with offers that align with their interests and behaviors. Effective marketing strategies directly hinge on understanding customer trends and preferences, and nCino's data analytics capabilities empower banks to make informed decisions based on real-time customer data, ultimately enhancing their marketing effectiveness and customer engagement.

10. Is it best practice to launch the Review process from both the Product Package and Relationship records?

- A. True
- B. False**
- C. Only from Product Package
- D. Only from Relationship records

Launching the Review process only from one source, such as the Product Package or the Relationship records, streamlines the process and creates a more organized workflow within the nCino environment. When the Review process is conducted solely from the Relationship records, it ensures a consistent and centralized approach that aligns with best practices for managing relationships effectively. This focus on a single entry point means that all relevant information and context associated with that relationship is accessible in one place, reducing confusion and potential duplication of effort. It also allows users to maintain a clear understanding of the customer's needs and streamline the approval or review processes associated with lending and banking activities. By restricting the initiation of the Review process to only the Relationship records, it simplifies the user experience and aids in maintaining the integrity and consistency of data across the platform. Consequently, the alternative choices imply launching the Review process from multiple sources, which could lead to operational inefficiencies and complicated workflows. This is why the recommendation is to initiate the Review process primarily from Relationship records.