

ULI (Unified Lending Interface), Objectives, Benefits, Features

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India is evolving rapidly when it comes to digital initiatives, including initiatives like UPI transforming payments. Now, the Reserve Bank of India (RBI) is set to launch the Unified Lending Interface (ULI) which is a transformative platform which is introduced to streamline the credit ecosystem. The Unified Lending Interface is expected to accelerate credit delivery, especially for underserved populations such as farmers, MSMEs, and informal workers, by linking lenders and borrowers through a standardized process.

ULI

The Unified Lending Interface (ULI) is a centralized digital infrastructure introduced by the RBI to revolutionize the loan distribution system in India. It enables a consent-based flow of financial and non-financial information, such as land records and credit history, between borrowers and lenders. ULI is designed to integrate various stakeholders banks, NBFCs, fintech firms and data providers using standard APIs.

The platform will eliminate manual documentation and promote real-time credit appraisal, especially in rural and small-scale sectors. ULI is also expected to uphold data privacy through borrower consent, making it both efficient

and secure.

Unified Lending Interface

The Unified Lending Interface is built on the principle of creating a seamless, digital bridge between borrowers and credit institutions. Launched as a pilot project in August 2023, it aims to reduce dependency on traditional lending practices which often demand physical paperwork, collateral, and a strong credit score. Through ULI, users especially in rural or low-income areas can access credit based on alternative data such as utility bill payments, GST filings, and mobile transactions.

The interface automates the entire loan process, from application to disbursement, reducing turnaround time and operational costs for lenders. Much like how UPI revolutionized payments, ULI aspires to streamline the money lending process, bringing transparency, speed, and scalability to the credit system in India.

Unified Lending Interface Objectives

- The Unified Lending Interface is introduced with a major objective of creating the accessibility of credit through the digital mediums.
- ULI will focus on addressing the credit gap in the rural or low income areas empowering the small borrowers with timely and need based financial support.
- The pilot project named ULI will reduce the loan disbursal timelines, increase transparency and ensure smoother regulatory compliance.
- Unified Lending Interface aims to enhance lender-borrower through consent-based data sharing and easier to adapt interface.
- The ULI is cost efficient and secure which will help the digital infrastructure of India.

Unified Lending Interface Benefits

• For Borrowers:

- Unified Lending Interface enables loan access for individuals without formal income proof or credit scores.
- Uses alternative data (e.g., GST records, mobile bill payments) for credit evaluation.
- ULI reduces paperwork and loan processing time.
- Minimizes the need for collateral.
- ULI Promotes inclusive credit access for informal workers, small businesses, and farmers.

• For Lenders:

- Unified Lending Interface helps in lowering operational and processing costs.
- Speeds up loan decision-making processes.

• Broader Impact:

- Unified Lending Interface supports financial inclusion across underserved segments.
- ULI aligns with India's digital governance and economic empowerment goals.

- Strengthens the national credit ecosystem through data-driven transformation.

Unified Lending Interface Features

The Unified Lending Interface platform is expected to come with several advanced features which includes:

- The standardized API framework that connects data providers, regulators, lenders, and borrowers.
- It enables real-time digital access to state land records, tax filings, and personal data based on consent.
- Unified Lending Interface also supports identity verification using Aadhaar, integrates with DigiLocker, and fetches transactional data for loan evaluation.
- Data privacy and consent management are central to ULI, ensuring compliance with future data protection laws.
- These features collectively aim to build a secure, and scalable lending system across India.

ULI vs UPI

Though ULI and UPI are both RBI-led platforms for financial digitization, they focus on different aspects of India’s economy. UPI focuses on payments, while ULI targets the lending process. UPI allows real-time money transfers between bank accounts through mobile apps, making transactions fast, cheap, and paperless. The table includes the **difference between the ULI and UPI** for easier understanding in a comparative manner:

ULI vs UPI		
Feature	ULI (Unified Lending Interface)	UPI (Unified Payments Interface)
Launched By	Reserve Bank of India (RBI)	National Payments Corporation of India (NPCI)
Purpose	To simplify and digitize the lending ecosystem	To facilitate instant and secure money transfers
Launch Year	2023 (Pilot) / 2024 (Nationwide Rollout Expected)	2016
Stakeholders	Lenders, borrowers, data providers, regulators	Banks, merchants, individual users
Key Use	Loan discovery, application, and approval	Fund transfers, QR payments, in-app transactions
Technology Base	API-driven, consent-based data sharing	Mobile-based, real-time payments
Focus Area	Lending & credit access	Payments & financial transactions
Inclusivity Target	MSMEs, farmers, informal sector	Consumers, merchants across all sectors

Privacy Safeguard	Borrower consent, data minimization	Two-factor authentication, secure virtual IDs
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