

BANK SYSTEMS & TECHNOLOGY

Business Innovation Powered By Technology

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BEST PRACTICES

LOAN OPERATIONS

First Command Bank Perks Up Loan Process

Bank uses an automated loan application solution to increase productivity of loan officers.

At the time that it implemented an automated loan solution three years ago, First Command Bank (Fort Worth, Texas) processed about 800 loans per month. Since then, the bank has seen a 50 percent increase in loan volume, to 1,200 loan applications per month — without increasing staff. According to Roger Smith, senior vice president, lending, without the new loan solution, the bank would have had to hire more employees.

When the \$150 million bank was faced with choosing a new loan processing system — the Fair Isaac product it had been using would no longer be available in the U.S. — First Command decided on Cypress Software's (North Richland Hills, Texas) Mark IV product, a client/server-based solution for analyzing consumer credit applications. Mark IV automates the entire decision process, tracking loan applications from the entry of the application, through the evaluation and underwriting process, to the point of account setup and funding. It accesses third-party credit reports, analyzes applications against internal loan guidelines and applies a customized loan scorecard.

Though the bank wanted a solution that offered the option of a fully automated loan application process, it was not seeking total automation; the bank remains involved in some aspects of the application, according to Smith. "Right now, we choose to take advantage of partial automation and still get our hands into the loan and massage the data a little bit," says Smith.

"I also wanted a system that would allow me the luxury of taking notes," Smith adds. The Mark IV system allows the bank to grant different loan officers access to put notes into pending accounts, so a fellow officer can see the status of an application when a customer requests that information. This feature has improved service and productivity, Smith says.

"From a customer service standpoint, anyone

could go pull up a loan and see where it is at and look at any notes that had been put in and help a customer. [They] wouldn't have to wait for a rep that went out to lunch or on vacation," Smith says. "There is a very strong notes system in Mark IV that has been a big help from a customer service standpoint."

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The bank was also impressed by the fact that the Microsoft (Redmond, Wash.) Windows-based solution allows First Command to accept loan applications via its Web site, through an application that Cypress wrote for the bank. "Once a client applies for a loan on our Web application, that data automatically populates Mark IV, pulls a credit report and is basically sitting there waiting for us to work on it," says Smith.

The implementation has been a success. "Having a system that we can [use to] process more applications with less staff was a goal that we met," asserts Smith. The bank is particularly pleased with the Mark IV system's ability to add newer technology and remain compatible with any future banking systems, he adds. "I wanted a system that would not be afraid to take on new technology ... and would be able to interface with our existing or future core banking systems."

The bank anticipates that it will work with Cypress Software again, on an interface for its core banking systems, says Smith. "They are constantly trying to find ways to interface with products to make loan processing seamless."

□ —Cynthia Ramsaran

Snapshot

» **Institution:** First Command Bank (Fort Worth, Texas).

» **Assets:** \$400 million.

» **Business Challenge:** Automate loan process to increase efficiency.

» **Solution:** Cypress Software's (North Richland Hills, Texas) Mark IV automated loan and credit processing solution.