

First National Bank of Olathe

Increases Consumer Loan Quantity and Quality

Using Cypress Software System's Mark IV Software

CHALLENGE

For years, Jerry Harper and two other loan officers ran the consumer loan sales department at the First National Bank of Olathe in Olathe, Kansas.

Family-owned and run since 1887, the bank distinguished itself as the premiere regional provider of small business administration (SBA) loans, and took on smaller accounts that bigger banks wouldn't touch.

Today, it stands as the oldest community bank on the Johnson County side of Kansas City, with more than \$520 million in assets and 180 employees.

In early 2003, Harper's two co-workers retired, leaving a one-man loan department. Concurrently, bank management also wanted to shift to a more sales-focused business culture with an emphasis on loan sales.

That's when Harper, vice president, and other bank management decided that loan automation software was the best option to quickly and effectively increase the sales staff with minimal training.

"With nine branches across the Kansas City area, effectively selling loans to our customer base was a daunting task for one person," said

Harper. "Technology – specifically loan decision software – was the panacea we needed to rapidly build a knowledgeable sales force."

After a review of several companies and technologies, Harper and First National Bank turned to Cypress Software Systems LP and its Mark IV loan-decision software.

Mark IV is a Windows-based tool that provides lenders with a user-friendly application data entry point, quick retrieval of credit reports, reconciliation of debt information, and deployment of the bank's loan policies. Cypress provides these tools with the goal of speeding a quality loan decision back to the applicant, and assisting the financial institution in maximizing loan performance.

"We looked at Cypress and several of its competitors, and Mark IV was far and away the better product, both in cost and simplicity. We were blown away at the live demo we saw at a Tulsa, Okla. bank," said Harper. "We needed software that provided easy training and a quick decision - Mark IV did that."

SOLUTION

Cypress Software, based in North Richland Hills, Texas, installed the system and trained the bank's 31 customer service representatives

(CSRs) within two days, allowing the First National Bank of Olathe to dramatically increase its sales staff virtually overnight.

"The Cypress staff did a great job during the installation and training, ensuring the system ran smoothly and our staff knew how it worked," Harper said. "Our CSRs have loved the software and have easily adapted, increasing our sales staff from one person to 31."

First National Bank also purchased most of the accompanying modules for Mark IV, further enhancing the loan origination process. Those modules included the NADA Auto

CUSTOMER PROFILE

Name: First National Bank of Olathe

Location: Olathe, Kansas

Founded: 1887

Branches: 9

Assets: \$520 million

Employees: 180

About: Family-owned and run since 1887, First National Bank of Olathe distinguishes itself as the premiere regional provider of small business administration (SBA) loans. Today, it stands as the oldest community bank on the Johnson County side of Kansas City.

Valuation module, for access to vehicle book value; BITI Geocoder module, for applicant address validation; New Account Setup (NAS) module, for automatic data transfer; and WebApp module, for online application access and entry.

Cypress also installed its Doc Prep Export Interface that will combine with the NAS module to automatically transfer account setup information into First National Bank's Bankers Systems Rembrandt doc prep system, saving hours of paperwork and data entry for the bank's document preparation department.

Harper also expects the WebApp to pay dividends by giving First National Bank customers the ability to complete and submit a loan application via the Internet.

"The Cypress Doc Prep Export Interface, combined with the NAS module, is as slick as a whistle, smoothly transferring loan data to our documentation and billing department while cutting man hours dramatically," said Harper. "We're also excited about the WebApp module because it will give our customers and other community patrons a quick and simple avenue to apply for a new loan. It's like adding another loan officer."

RESULTS

Between February and July 2004, Mark IV helped First National Bank increase its total installment loan outstandings by 8.2 percent and home equity loan outstandings by 23 percent. The bank's July loan volume totals also were significantly higher than

ABOUT CYPRESS

Headquartered in North Richland Hills, TX, Cypress Software Systems, LP is a leading developer of automated credit application decision support technologies. The company serves community and regional banks, finance companies and credit unions with loan application decision and tracking tools on par with those used by larger national lending institutions. The Company's flagship product, Mark IV, is used by clients nationwide to quickly and consistently process consumer loan applications. Cypress Mark IV offers a flexible, risk-based processing approach that includes tracking applications from point of entry to point of decision.

ABOUT MARK IV

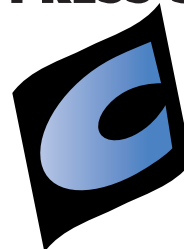
Mark IV is a "behind-the-firewall" Windows-based consumer application processing solution that provides lenders with a user-friendly application data entry point, quick retrieval of credit reports, reconciliation of debt information, and deployment of the bank's loan policies. Cypress provides these tools with the goal of speeding a quality loan decision back to the applicant and assisting the financial institution in maximizing loan performance.

February figures, with a 45 percent increase in installment loan volume and 47 percent increase in home equity loan volume.

"We were actually expecting an adjustment period and a downturn in loan applications, but we got the reverse and have witnessed the biggest loan-volume increase in the history of our company," Harper said. "The quality of the loans we issue has also risen with the quantity, giving us high-balance accounts with lower risk. Our people have a lot to do with that, but certainly Cypress' Mark IV is a huge part of our success and has been far beyond our expectations."



CYPRESS SOFTWARE SYSTEMS



9001 Airport Freeway, Suite 800
North Richland Hills, Texas 76180

800.394.5777
info@go-cypress.com
www.go-cypress.com