

Lien Solutions

Regional Bank Finds Automated System Boosts Efficiency, Improves Accuracy and Reduces Risk



A bank founded 115 years ago with a single location had grown to footprint spread across five states. It services customers in 150 locations throughout the southeast US. At the end of first quarter 2018, the bank had nearly \$12 billion in deposits and by any measure, it was a regional banking success story.

However, an acquisition demonstrated to the bank and its management there was an opportunity to reduce loan risk and improve accuracy of liens.

CONTEXT

Acquisitions Show Need for Process Improvement

The bank acquired two additional previously independent banks in two new states (Texas and Oklahoma) in 2017 as part of its ongoing growth strategy. As is often the case when two organizations come together, each organization learns from the other. The Operations Manager discovered these newly acquired locations were users of an automated lien management system – iLien – supplied by Lien Solutions. Each acquired bank employed a workflow system that performed

necessary motor vehicle and mortgage lien management tasks faster and more accurately than the original internal system.

Originally, the bank utilized an automated loan origination system. Once the loan was made, the process then became a manual one for due diligence and lien management over the remainder of the loan lifecycle.

When the operations manager compared the two lien management systems and their end results, the differences between approaches became readily apparent. The simple, easy-to-use automated system enabled the two acquired banks to improve employee productivity by removing tedious, manual tasks. Furthermore, each of the acquired banks achieved greater accuracy and suffered fewer mistakes at each step of the process. Finally, as a result of this improved accuracy, each bank significantly reduced risk factors when filing motor vehicle and mortgage liens.

In contrast, the original bank used a manual process designed in-house over the years, filing liens with each state's Secretary of State (SOS). This manual process, while well-documented, was long, hard to scale and confusing in comparison to those of the acquired banks.

Staff often had difficulty dealing with the complexities and constantly changing requirements involved in filing across multiple jurisdictions. Long lead times were common. Many staff members simply became overwhelmed, leading to additional problems. Files were sometimes misplaced in the wrong cabinets. Loan expiration dates were being missed. The bank also experienced a large number of filing rejections

CHALLENGE

Finding a Trusted Partner

The 2017 acquisitions convinced the bank to explore new ways to improve its inefficient, risky and costly manual lien management system. The bank understood it had a problem and needed help. Both the acquired banks utilized Lien Solutions' iLien system. Could this system be the answer?



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from Secretaries of State. With the increased loan volume, the problems and inefficiencies in the manual lien filing and management system led to more mistakes and time-consuming re-keying and corrections. The errors and rejections cost additional fees and exposed the bank to greater risk. Potentially incorrect and unperfected liens could slip through the manual system. This meant the bank stood to lose valuable collateral should a borrower encounter future financial difficulty.

Clearly something had to change. The two recently acquired banks, on the other hand, seemed to be making good use of their automated system. This gave management a hint on how to solve its process problems.

The bank's management team named automation, centralization, efficiency, and proactive risk management as key priorities for their future. On the other hand, security ranked very high. The bank would be entrusting a vital and integral part of its operations to an outside, third-party vendor and needed to ensure its data would be in safe hands.

SOLUTION

Holistic Lien Management

Lien Solutions performed a workflow analysis of existing manual process and identified steps that could be immediately eliminated to quickly boost overall efficiency. These steps were confusing, wasteful, redundant or just unnecessary. Several handoffs along the process added little value to the workflow and, in fact, actually hindered it. The workflow analysis demonstrated concrete ways that the bank could simplify what had become an overly complex and confusing process.

Next, Lien Solutions' professional services team and the management team addressed automation, with the goal of reducing errors, improving accuracy, better tracking of liens and mitigating risk. Bank management would gain greater visibility its entire lien portfolio at each step of the loan lifecycle. Using one system, the bank could monitor liens, be

notified of terminations, be alerted to upcoming expirations and automatically file continuations.

Finally, it was imperative for iLien to integrate with the existing loan origination system.

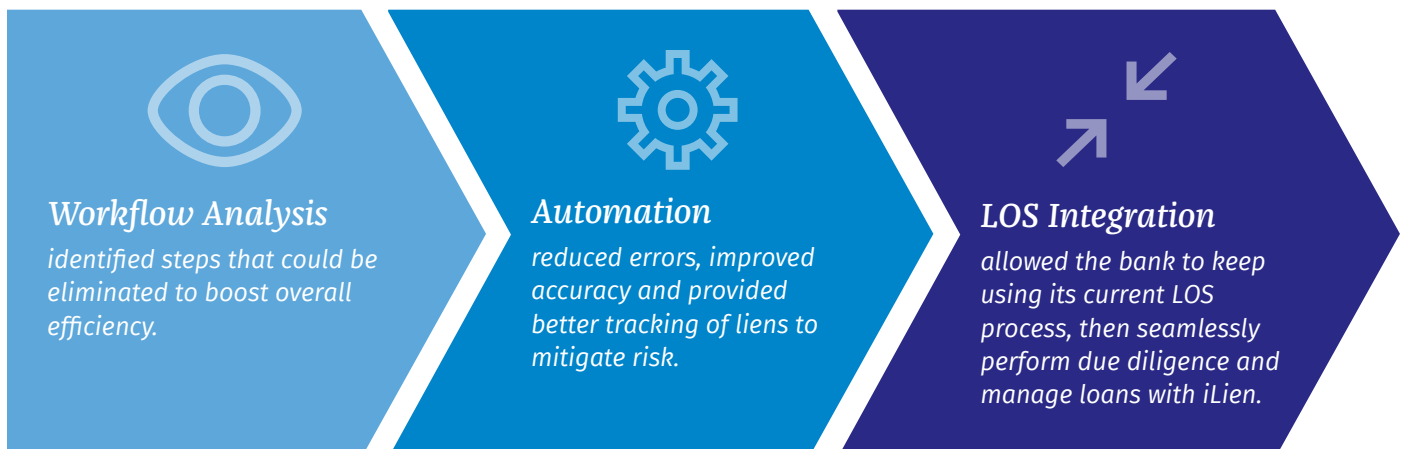
The native integration was easy and posed no interruptions to the daily operations. The integration allowed the bank to keep using its current LOS to bring loans into the process, then seamlessly perform due diligence and manage loans once approved with iLien. The systems could share information with no loss of data or production.

True validation of the solution, however, came from the end users. A loan officer who was on the forefront of using the new tool said: "We just did not know what we did not know. The insight we gained allows us to manage our liens throughout the whole life cycle!"

Tool simplicity and ease of use proved to be a winning selling point with the bank's staff, and thus greatly influenced the bank's management.

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A Complete Solution



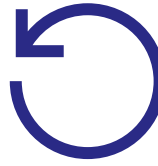
RESULTS

Newfound Efficiencies

First, the bank eliminated an astounding 77% of the steps and hand-offs built into their previous manual system. This greatly streamlined their loan management process and boosted workflow efficiency. Managers were able to make better use of their staffs and resources. Workloads became more evenly balanced and distributed between staff members, further increasing morale and productivity.

A simplified, automated process also eliminated much of the staff's previous frustrations, confusion and sense of being overwhelmed. It cut the time to perform due diligence, process a lien and avoided many of the old pitfalls that once lead to errors, missing information, lost files and increased risk.

Next, as many formally manual functions were now automated, this reduced keying mistakes, which reduced time-consuming corrections, rejections and wasted money spent on additional fees. The improved filing accuracy reduced risks associated with having liens declared unperfected due to errors.



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Finally, bank management gained a better overall view of their entire portfolio at each step of the loan lifecycle. Reports could be made quickly pinpointing needed changes to filings, identifying liens that had been terminated, flagging liens that were due expire and providing a method to automatically continue them.

In the end, the bank, its management and loan operations staff have a complete, integrated loan origination and lien management system. This automated solution empowers the bank to make better, more informed decisions and, best of all, rest easy from worry, knowing its assets are now better protected.

About Lien Solutions

Wolters Kluwer's Lien Solutions has 30+ years of experience providing comprehensive lien solutions, recording services and life-of-loan services to lenders nationwide. Lenders look to us and our industry-leading enterprise every day for innovative solutions. We help lenders mitigate risk, save time and decrease complexity. Through our web-based application, iLien, clients can search public records, file/record UCCs, mortgage liens

and motor vehicle titles, and maintain perfected liens and titles as needed for the duration of a loan.

Our industry knowledge and responsive service sets us apart from others in the field. Combined with our web-based workflow solutions, we help lenders simplify their UCC, real estate and motor vehicle processes. With Lien Solutions on their side, clients can feel secure in their lending decisions and confident their lien positions are protected throughout the lifecycle of each and every loan.

