

CASE STUDY



California Credit Union Reduces Loan Processing Time From Hours to Minutes With Open Solutions' IA Systems StreamLend Velocity LOS helps automate decisioning, handle increased loan volumes with ease.

Who:

California Credit Union, based in Glendale, Calif., is one of the nation's largest nonprofit credit unions. The 10-branch, \$1 billion credit union has aggressive growth goals, including doubling its number of branches in the next few years.

What:

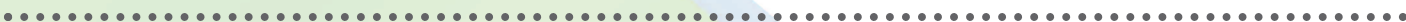
California Credit Union implemented an automated loan decisioning system in April 2007 to help make its lending process more efficient. However, as its decisioning criteria changed, the system did not have the flexibility or the depth to keep up with the credit union's growing loan demands. Limited to 30 judging attributes with the automated system, credit union employees were forced to make all of their loan decisions manually in order to maintain competitive, profitable judgments. The credit union needed a new solution to alleviate its underwriting backlog and expedite the entire lending process. Its goal was to maximize resources and provide members with faster turnaround and better service.

Result:

After an extensive review, California Credit Union selected Open Solutions' IA System's browser-based, customizable, paperless, end-to-end loan origination system, StreamLend® Velocity, in April 2007. Since implementing StreamLend Velocity, California Credit Union has reduced its average turnaround time on manual loan decisions from 2 hours to 4 minutes. The automated decisions now take less than 30 seconds. The credit union receives approximately 1,500 consumer loan applications per month and processes 59 percent of them with StreamLend Velocity's automated decisioning. Additionally, California Credit Union plans to have 80 percent of its loan decisions done by the end of 2007 with IA System's loan origination software. The automated decisioning feature analyzes more than 100 characteristics of loan applications, quickly computing individual factors as determined by the credit union.

California Credit Union plans to further increase its loan volume and funding ratio by implementing IA Systems' cross-selling program to automatically approve additional loan products when a loan request run through the Streamlend Velocity system.

According to California Credit Union before implementing SteamLend Velocity they were sacrificing more than just loan turnaround times when it reverted to manual decisioning. In order to handle the high volumes of loans, the credit union decentralized its lending department and devoted time and resources to training branch managers and front line staff on how to underwrite loans. The credit union experienced inconsistencies while various branches were leveraging limited training to pass loans with good credit, review loans with bad credit, and debate over "gray" area loans with both good and bad compensating factors.



Gayla Turner, director of consumer lending at California Credit Union, knew that the credit union needed a new automated lending platform and determined several characteristics that were necessary. Specific factors that differentiated the StreamLend Velocity product from others included:

- The ability to adjust decisioning factors depending on the loan product and credit tier;
- Depth of credit history attributes, beyond credit scores;
- Exceptional member service in terms of turnaround time and ease of use;
- Customizable parameters based on specific lending product guidelines and policies; and
- Tracking, auditing and reporting capabilities.

"We wanted a system to do all the heavy lifting," Turner said. "StreamLend Velocity allows the underwriters to review the most difficult loans, which in turn gives the front line staff the ability to spend more time with the members, which is our primary goal. I think we've done a great job of encompassing the art and science of lending."

StreamLend Velocity enabled the credit union to recentralize its consumer-lending department with half the staff it used to have. "We now only have two full time loan underwriters that review the "gray" area loans and are able to process loans in an astonishing time frame," Turner added.

California Credit Union was also IA Systems' first client to go-live with Internet QuikQuote (iQQ[®]) automating the quoting and fulfillment process for GAP and MBP.

IA System's Web-based solution streamlines everything from underwriting and funding to closing, freeing California Credit Union's front-of-house employees to focus on cross-selling opportunities and spending more time with members.

StreamLend[®] *Velocity* 