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How United Federal CU Increased Business Lending Twofold

Adding New Tech Was First Step—But Digging Deeper Into Training Staff To Use New Platform Was The Real Key

By W.B.King

Saint Joseph, Mich.—Four years after launching its business lending program here, United Federal Credit Union has realized an asset under management per underwriter increase of more than 100%.

This spike was made possible, in part, by the recent adoption of nCino Inc.'s bank operating software.

“The major challenge in business lending [for us] was rapid growth,” said Jeff Curry, vice president of operations at United Federal. “We had to find a way to corral the growth and handle it effectively and efficiently, and that is what brought us to bringing on nCino.”

The scalable solution was created by financial institutions for financial institutions said Pierre Naude, chief executive of Wilmington, N.C.-based nCino.

As a result, the company's three credit union clients and one 80-member credit union service organization have all realized increased profitability and productivity gains, he said.

Management Has To Be Ready

“When it comes to small business, commercial lending, a credit union's management team has to be ready for the type of system that tracks, measures and drives accountability,” Naude said.

With 120,000 members and 23 branches, \$1.7 billion United Federal took a measured approach to adoption after signing with nCino in late December 2012. This included taking into account the credit union's presence in different locations as well as work force management practices.

“If you buy a [customer relationship management] solution off the shelf, making that system fit your business is expensive and time-consuming,” Curry said. “What we saw from nCino was a way to overcome those two very common but huge challenges.”

During a six-month period, internal beta testing was undertaken to ensure that any and all tweaks were addressed and the customizable solutions were in fact customized to



the credit union's unique profile. To this end, the roughly 30 employees of about 500 total who use the solution were trained on intricacies.

“With this platform we have been able to have better management control, so we are now working smarter not harder,” said Michael Mortimore, director of loan operations at United Federal. “We have significant growth while increasing our efficiencies and transparencies.”

Strong Results

The credit union's business lending assets under management have jumped to about \$216 million, from about \$94 million early last year.

The assets under management per underwriter have increased to a recent peak of four deals, from 1.6. Additionally, the loan-to-share ratio has risen by 20 percentage points. “The amazing thing is that we have been able to have this type of growth, while not growing our staff levels twofold like our portfolio,” Mr. Mortimore said. “We have truly been able to capture the communication between the sales side and the operations side, which has bred more efficient behavior.”

The solution's secure SOC 2 Type II cloud architecture



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combines CRM, loan origination, workflow, enterprise content management and instant reporting capabilities, Naude said. The aggregated data are then integrated with the core and transactional systems.

“United Federal Credit Union really understands the value of member business lending,” Naude said. “Due to the amount of small businesses out there, there is massive headroom.”

On average, nCino’s financial institution clients have realized a 17% reduction in operating costs, a 54% reduction in policy

exceptions, a 19% increase in loan volume, a 34% decrease in loan closing time, and a 22% increase in staff efficiency and the elimination of regulatory compliance costs.

“We are very positive about nCino, but we are also discontent, a positive discontent,” Curry said. “Other credit unions have to be prepared for this because there is so much opportunity in where this can go. We have only scratched the surface, and there is so much more we can do with it.”



nCino, Inc.

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