

# TCI's Fraudscreeener:

## The smart solution for Southwest Bank of Texas

### The Opportunity:

The largest independent bank in Metropolitan Houston, Southwest Bank of Texas has almost \$5.5 Billion in assets, and maintains a network of nearly 50 locations throughout its market in South-eastern Texas. With a portfolio consisting of commercial, private, retail and mortgage banking products, Southwest Bank of Texas provides its customers with a comprehensive array of lending solutions that reflect the bank's persona: in-depth knowledge of its customers and their needs, coupled with a keen commitment to providing personal service.

As lending activity continued to spiral upward in recent years, Southwest Bank needed to safeguard its lending practices from potential fraudulent activity, while ensuring that it complied with all government regulations. The product they had in mind needed to access multiple information sources; retrieve, authenticate, and protect the information; and score the information from a fraud perspective. And, most importantly, the product had to fit within the bank's budget.

"Once we decided that we needed to find a technology solution to meet our challenges, we embarked on the task of finding a vendor who had a suitable product," recalled Bill Palko, Senior Vice President of Credit Investigations and Commercial Loan Recovery Manager of Southwest Bank of Texas. "Unfortunately, what we discovered was that there weren't any existing products that delivered what we needed. So, we reached out to TCI, which was already providing us with retail credit report accessing technology, to see if they could help."

### THE TCI WEB SOLUTIONS

#### DECISIONLENDER:

A real-time decisioning solution for Lenders

#### CREDITSCREENER:

A browser based product that accelerates credit and data accessing

#### FRAUDSCREENER:

A web-based solution to identify potential fraud in the lending process

#### ADRESSSCREENER:

A web-based solution to locate current addresses

### The Solution:

"When we first spoke with Southwest Bank of Texas about their interest in obtaining a product to help detect potential credit fraud, we immediately knew we could deliver a solution that would meet their immediate and long-term needs," remembered William S. Nass, president of Teledata Communications, Inc. (TCI). "We collaborated with our colleagues at Southwest to create a unique solution that leveraged our Web-based technology to deliver the fraud detection model they required."

What ensued was the creation of TCI's Fraudscreeener, a robust, reliable, and cost-effective Web-based solution to identify potential fraud in the commercial lending process.

Delivering maximum functionality with a minimal amount of screens and form fields, Fraudscreeener assesses the potential fraud risk of each loan application by associating the application with a scorecard that is driven by the lender's specific rules and parameters. Risk managers have the ability to change these rules and attributes as they see fit.

Fraudscreeener enables its users to improve the efficiency of retrieving information from retail credit bureaus, business credit reports and other public information.

Fraudscreeener automatically scores each commercial credit application for potential fraud according to the pre-configured fraud criteria in its scorecard. Reports that trigger any irregularity are immediately flagged, alerting investigators to a potential of fraud. Applications that receive an unusually high score are routed to the Exception Queue for further investigation. Investigators can also pull applications from the Incoming Queue and transfer them to a personal Work Queue, where they can pull relevant additional reports, if they choose. Additionally, Fraudscreeener stores credit and other reports, giving users easy and instant access to this data when necessary. Fraudscreeener also generates a series of activity reports to help management track potential fraudulent activity.

As a Web-based solution, Fraudscreeener requires a minimal investment; it is priced on a pay-per-use basis, making it an affordable solution for small- and mid-size lenders.

### The Results:

After using Fraudscreeener for just two months, Southwest Bank of Texas has already seen a noticeable improvement in the way the application improves its workflow.

"Before we integrated this technology into our system, it was a laborious, painstaking and expensive effort to identify potential fraud," said Mr. Palko. "The addition of Fraudscreeener has not only simplified our processes, it has already identified several instances where a potential for fraud existed in the commercial lending process. We were able to quickly intervene and perform our due diligence to further investigate the loan applicant. Fraudscreeener is doing precisely what we need it to do...help us protect the integrity of our bank."



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