



CASE STUDY

TCI'S DECISIONLENDER:

FIRST INDEPENDENT BANK AUTOMATES COMMERCIAL LENDING AND EXPANDS SMALL BUSINESS CUSTOMER BASE WITH WEB-BASED DECISIONLENDER

The Challenge: First Independent Bank in Vancouver, Washington has \$600 million in assets and 23 branches. It has the largest branch network in the city and is regarded as one of the premier privately held, family-owned banks in the northwest.

First Independent is unique in that it competes with large banks as well as community and independent banks and credit unions. Currently, First Independent Bank has a customer portfolio that is largely comprised of commercial real estate customers (approximately 75% of the loans processed by the bank are applications for large commercial loans). As bank executives started to contemplate the future growth of the bank, it was decided that the primary goal would be diversification of its customer base.

“We wanted to expand into the small business and consumer arena and write car, home equity, equipment, and small business loans,” said First Independent Vice President Greg Usselman. “But, we wanted to be able to manage multiple applications at one time, thereby reducing the costs associated with implementing the loans and competing with bigger banks on turn-around time.”

Because the bank did not have the technology in place to expedite loan applications, it would take as much time and expense to process a \$75,000 loan as it did a \$500,000, Usselman explained. There were no efficiencies in the processing system to streamline and support a high number of applications. Also, because First Independent Bank is a large independent bank, it was important that the institution's best lending practices remain intact, making the integration of a decisioning system seamless.

As a result, First Independent officials set out to explore if technology could address their needs by equipping them with an automated decisioning solution.

The Solution: Several executives at First Independent Bank are affiliated with local industry associations, such as Washington Bankers Association. During an association round-table discussion with colleagues, the Chief Financial Officer of First Independent Bank asked if anyone has been using a web-based loan decisioning system. He wanted something reputable, reliable, and guaranteed to have a rapid turn-around time. TCI's Decisionlender was recommended along with a competing solution from Baker Hill.

The parameters were straightforward: *First Independent Bank needed a solution that would improve efficiency in processing small business loans, enable the bank to process more small business loans in less time (without making a capital investment in hardware, software, etc.), and, most importantly, allow the bank to continue utilizing its existing loan-scoring model.*

After further research, First Independent Bank selected TCI's Decisionlender ASP solution for its customizability, security, reliability, and, most importantly, affordability. First Independent Bank had strict budget requirements. The cost of the product would have to be balanced with the projected volume of processed loan applications. Justifying the cost was of paramount importance when it came to selecting an ASP solution for automating the loan decisioning process. Also a priority was having the ability to maintain their bank's lending policy.

“We wanted to be able to provide a quick turn-around time on our small business loans, but we absolutely didn't want to sacrifice our loan application decision process,” said Usselman. “The TCI Decisionlender solution gave us the ability to shape the rating system and remain focused on our lending policy, which was critically important for us, while also giving customers a rapid response and minimizing the amount of staff time spent per loan.”

Decisionlender is available 24/7 to its users and is praised industry-wide for its high efficiency and ease-of-use. It retrieves data from multiple credit sources and applies First Independent's specific decisioning model to every application. After that process, Decisionlender places the application in one of three categories: *APPROVED*, *DECLINED*, or *MANUAL REVIEW*. The *MANUAL REVIEW* category places the loan application into a pending queue where a loan officer or credit analyst can further evaluate the application, which was of paramount importance to First Independent.

"Decisionlender is the easiest ASP loan-decisioning solution to implement, particularly when the bank's priorities are maintaining their brand identity and best lending practices," said TCI President William Nass. "We were able to provide First Independent Bank with a solution that had all of the features that were most important to them. We worked with the bank until they were satisfied that their lending policies would be successfully maintained with the Decisionlender web solution."

The Results: With the integration of Decisionlender, First Independent Bank anticipates processing many more loans in much less time. The power of automation may, in fact, enable them to double the number of small business and consumer applications they process per month (without any increase in overhead).

"I am certain that Decisionlender will help us to improve our efficiency and, because we will be able to process more loans, double our production in the small business market," said Usselman. "TCI has been very helpful to us throughout this process and we are absolutely pleased with the service and reliability of the company."