



First American Federal Credit Union Doubles Loan Volume By Making the Switch to Compliance-Based Automated Lending Solution

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Lisa Hansen
Lending Manager,
First American Federal
Credit Union,
Santa Ana, CA

Background

Santa Ana, California-based First American Federal Credit Union serves more than 5,200 employees of First American Title Company. The \$25 million credit union offers its members in 40 U.S. states a full range of consumer services.

Challenge

Member demand for home equity and second trustee loans is at an all-time high at First American. The credit union has grown this area of its lending department significantly the past several years and plans to continue to do so.

To accommodate the growth, Lisa Hansen, First American's lending manager, searched for new ways to increase efficiencies in her lending department while making it easier for the credit union to stay compliant with the vast array of regulatory requirements it must abide by.

Solution

In 2004, First American made the jump to an automated lending system when it selected ARTA® Lending for credit unions from Wolters Kluwer Financial Services.

The credit union noticed an immediate difference by using the Windows®-based lending documentation software along with its integrated application and credit bureau access functionality.

“I was able to complete a loan application and submit it for review in about 15 minutes,” Hansen said. “And we cut our approval time in half by submitting applications electronically.”

Results

First American's loan volume doubled in one year to \$3.4 million simply because its faster loan processing times allowed it to handle more applications.

“ARTA Lending has become critical to the growth of our credit union,” Hansen said. “Its automatic document selection features and standardized templates are a real time saver. At the same time, I am always confident we are up-to-date compliance wise using the software.”

ARTA Lending automatically preselects required documents according to loan type and other loan variables. Lenders do not have to be experts on several types of loans.

ARTA Lending's template feature allows credit unions to build standard transaction templates that are preset with their fees, charges, accrual methods, and repayment methods. This helps the credit union maintain greater consistency and increases overall loan documentation efficiency.

The lending documentation software contains the documents a credit union needs for consumer, real estate, agricultural, and business loans in all 51 U.S. jurisdictions.

"Knowing we have the documents we need to serve our members wherever they live in the United States is very important as we continue to expand," Hansen said.

In addition, Hansen says ARTA Lending has helped the credit union improve the accuracy and consistency of its loan applications.

"The software will warn us when data is missing from the application and the closing documents," Hansen said. "Thus, preventing us from processing incomplete applications and increasing processing costs due to reworking documentation."

According to Hansen, Wolters Kluwer Financial Services has provided a high level of service and support to First American on both technical and compliance issues.

"Whenever I've had a question, they've gotten back to me very quickly and usually help me resolve any issues on the first phone call," Hansen said. "I was in regular contact with their compliance support staff during a recent audit. They saved me a lot of time and effort that I would have spent researching various regulatory requirements."

First American uses all of the features of the ARTA Lending solution, including the application and credit bureau access functions. First American also uses electronic deposit documents from Wolters Kluwer Financial Services.

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