



First State Bank Southwest Invests on the Front End to Grow its Lending Business

Background

First State Bank Southwest is located in southwestern Minnesota. The bank has \$140 million in assets and offers its customers a full range of consumer and commercial services through its six branches.

Challenge

In the early 1990s, First State Bank Southwest was steadily growing its consumer and commercial loan portfolios. But the regulatory environment was also growing. The number and complexity of regulations was mounting and the bank did not want compliance requirements to slow down its lending business.

First State Bank Southwest began exploring the use of technology to help bring a more consistent, accurate, and efficient process to its lending documentation.

“We knew such technology would be a wise investment,” said Allan Woitaszewski, Vice President of Operations for First State Bank Southwest. “We wanted to grow but we also understood the fines and penalties the regulators could impose. We felt spending money up front on a tool that could help us stay compliant made sense.”

Solution

First State Bank Southwest began using one of the first automated documentation solutions for lending from Wolters Kluwer Financial Services in the early 1990s and now uses the company’s ARTA® Lending Documentation System.

ARTA Lending autoselects required documents according to loan type and other variables and allows the bank to build standard transaction templates preset with its fees, charges, accrual methods, and repayment methods. The autoselection feature and standardized templates help cut overhead costs, reduce underwriting time, increase consistency, reduce errors, and simplify work flow.

“We liked ARTA Lending’s ease of use,” Woitaszewski said. “Our loan officers knew the solution would help select the correct documents for each transaction. Other solutions we looked at didn’t offer the autoselection feature. What other providers called flexibility and touted as a benefit, we saw as too many opportunities for a user to do the wrong thing.”

Results

Today, First State Bank Southwest continues to grow its consumer and commercial loan portfolios. And, ARTA Lending has continued to evolve with the bank's lending business. According to Woitaszewski, ARTA Lending offers the bank regular compliance updates to the solution's documents.

"Our loan officers have always expressed to me they are confident Wolters Kluwer Financial Services will help keep us up to date from a compliance standpoint," Woitaszewski said.

First State Bank Southwest began using Wolters Kluwer Financial Services' ARTA Deposit Documentation System at the same time it selected ARTA Lending. ARTA Deposit helps the bank take the guesswork out of deposit documentation by automatically selecting required documents and disclosures based on state and federal regulations and a bank's specific policies.

The bank also expanded its relationship with the provider in 2004 when the bank purchased Wolters Kluwer Financial Services' PATRIOT Act Connection[®] solution. The PATRIOT Act Connection solution is an automated, risk-based tool that allows the bank to integrate its Customer Identification Program into its deposit work flow.

"The reason we've continued to work with Wolters Kluwer Financial Services is the company's compliance knowledge and industry experience," Woitaszewski said. "Wolters Kluwer Financial Services' compliance technology solutions have helped us continue to grow and focus more on our revenue-generating activities."

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Vice President of Operations
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