

## Case Study

121 Financial Credit Union – December, 2015

LoanHD® Clarity in Loan Commerce.™



121 Financial Credit Union uses the LoanHD® Life of Loan Portfolio Monitoring platform to identify their biggest risk concentrations and take action immediately.

### 121 Financial Credit Union Company Profile

- 121 Financial Credit Union (formerly Florida Telco) was founded in 1935 as a single sponsor (Bell South) credit union. Over time, the credit union grew and evolved and is now a community charter credit union that serves the 11 counties in northeast Florida.
- 121 Financial Credit Union is headquartered in Jacksonville, Florida.
- With over \$499 million in assets, it provides a variety of products and services to meet the needs of its members.
- The credit union currently holds over \$327 million in loans to members that include over \$152 million in real estate related loans.
- 121 Financial Credit Union has been a LoanHD® Life of Loan Portfolio Monitoring customer since 2009.

### The Challenge

When the real estate bubble burst, regulatory review of member loans increased significantly. During this time, additional regulatory recommendations were being made to credit unions and the need to monitor not only changes in member credit worthiness, but changes in property values and loan-to-value ratios became necessary. The challenge presenting itself was how to gather all of this information in an efficient manner where it could then be reviewed and developed into reports to facilitate actions that should be taken on individual loans.

For 121 Financial, their current process was arduous. The first attempt at gathering information involved providing a list of loans to a credit bureau. The bureau then delivered member credit scores, property values and lien information. Next, credit union staff placed this information within their core system to run comparisons, reports and store the data for future reviews. Obtaining the output was a manual process that was done completely in Excel. It turned into an extremely large, time consuming endeavor. "It was a very painful and time consuming process to pull all of the data," stated Cathy Hufstetler, 121 Financial's Vice President of Lending.

In order to meet internal and regulatory needs, 121 Financial determined they needed more transparency, efficiency and effective reporting capabilities to vigorously stress test their home equity loan and mortgage portfolios.

### The Solution

It has been over 5 years since 121 Financial has implemented the LoanHD® Life of Loan Portfolio Monitoring system. The elimination of duplicate work associated with manually uploading data to their core system, plus the combination of multiple sources of data into one system, has met and streamlined 121 Financial's risk evaluation process immensely. The LoanHD® platform, with its easy-to-use user

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“I really like how the risk card reports provide a snapshot view of risk factors and trends in our portfolio pools. We use these reports to look at individual borrower characteristics in order to determine the risk of a loan. Having a snapshot report view of our loans is an important feature and one that we continually rely on prior to working with our members on other loan options.”

*Cathy Hufstetler — Vice President of Lending, 121 Financial*

interface, allows for continuous optimal monitoring of updates and trend analysis, and continues to be viewed as the ideal resource needed to assess the health of 121 Financial's loan portfolios.

LoanHD® Life of Loan Portfolio Monitoring provides integrated data updates from the top providers in the industry. This includes full credit profiles, ability-to-pay indexes, and household income models for borrowers; four collateral valuation models, 6-month property-specific value forecasts, and lien search services on residential real estate; and analytic resources to help monitor the performance of loans and portfolios. Customized risk card and borrower score card summary reports are used to define a set of risk factors in the loan review process.

### The Result

As a long standing customer, the Loan HD® Life of Loan Portfolio Monitoring system continues to exceed 121 Financial's expectations. Granular level, stratified risk monitoring reports remain a critical factor in determining the health of 121 Financial's portfolios. Additionally, the elimination of core system work arounds to pull, store and trend data, ease of use and staff time savings benefits continue to provide a significant return on investment for 121 Financial.

The LoanHD® system helps address compliance with new regulatory requirements and improves the accuracy, transparency, integration, and efficiency of processing and data storage. “Regulations are huge and continue to make astronomical changes to the mortgage industry. A very large part of our day to day processes is to make sure we stay compliant,” says Cathy.

Challenges in managing the mortgage and consumer loan asset class are addressed by providing a fully integrated system that brings all of the essential elements together to make better proactive risk management decisions and provide another source of liquidity.

### Capabilities Delivered:

- Integrated Data Storage and Analysis
- One-Stop Data Refresh from Multiple Vendors
- Powerful Reporting
- Clean and Transparent Data
- Easy-to-Use Trend Views and Analytics

Schedule a demo today to see how LoanHD can work for you. Call us at 866.557.6959 or learn more at [loanlogics.com](http://loanlogics.com).

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