

Bank streamlines loan recertification process resulting in fewer errors



Industry: Financial Services



Challenge

FDIC regulations require financial institutions perform Risk-based Customer Due Diligence (CDD) for all customers, particularly for those with a high risk for money laundering and bad actor financing. Under the Bank Secrecy Act, it is the responsibility of any bank to “understand the nature and purpose of customer relationships for the purpose of developing a customer risk profile” and “on a risk basis, to maintain and update customer information”. According to the Customer Identification Program (CIP), a “bank may require identifying information” through the form of documents for individuals, corporations, partnerships, or trusts. According to the risk profile of a customer, information maintenance is required at varying intervals. This procedure is called Recertification and helps protect the Financial Institution from loan defaults, fraud, and bad actors.

A leading west coast bank had a difficult and tedious recertification process. Loan Officers had to personally reach out to customers to gather required documents and perform document validation, which was time-consuming and error-prone. It was difficult to maintain service-level agreements (SLAs) and ensure that the documents were provided.

“Macedon team consistently goes beyond being a development staff. They understand the business process to the point they are able to identify gaps in user stories and provide proactive solutions. We continually get feedback from the business units about how great the team is to work with, in large part because of the creativity, quality, and attention to detail.” SVP Solutions Delivery

— SVP Solutions Delivery

Loan Officers were overwhelmed with busy work, not allowing them to focus on more complex and higher value/risk cases.

Solution

Macedon Technologies was approached by this financial institution to integrate with a custom portal and create an application that would simplify and accelerate the process of customer recertification. The Continuous Customer Recertification (CCR) solution was developed to address the customer's needs.

This solution accelerates and simplifies the process of maintaining and updating customer information by managing the sending of individual Recertifications through a configurable Risk Matrix based on Customer Due Diligence risk level, customer type, and product type. It also uses Smart tasking to optimize the assigning of recertifications to Loan Officers by risk level and customer-based Profiles. The solution further allows customers to suggest changes to data and upload and or sign required documents from a simple portal. Finally, the CCR solution also streamlined their reporting capabilities, allowing them to get a better understanding of their portfolio risk and SLAs across their CCR process as a whole.

The CCR application has significantly transformed the way the financial institution processes recertifications, allowing them to complete it more quickly with less errors. Furthermore, it freed up Loan Officers from tedious manual processes, allowing them to focus more on complex cases while still reducing overhead for lower risk recertifications. The CCR solution also streamlined their reporting capabilities, allowing them

to get a better understanding of their portfolio risk and SLA's across their CCR process as a whole.

Result

In summary, the bank was able to revolutionize its Recertification process with the Continuous Customer Recertification application built by Macedon Technologies. Allowing them to complete the process more quickly and with fewer errors freeing Loan Officers from the time-consuming, tedious manual process for Recertification allowing them to focus on complex cases while reducing the overhead on lower risk Recertifications.

CCR can streamline and simplify the Recertification process for any financial institution, including but not limited to:

- Financial Institutions, including Credit Unions
- Thrift institutions
- Broker-dealers
- Investment management companies
- Currency exchanges
- Insurance companies
- Pawnbrokers
- Dealers of precious metals and gems
- Travel agencies
- Automobile dealerships
- Real estate companies
- Casinos and gaming establishments



Contact: (571) 526-4281
info@macedontechnologies.com

About Macedon Technologies

Macedon has improved business processes and developed automation software since 2009. We offer first-class intelligent automation to evolve the way businesses work and achieve better outcomes. We help organizations connect technology to their core business model while aligning it with the marketplace and their culture.