



CASE STUDY

Cyprus Credit Union Gives Business a Boost with Easy, Integrated Lending Services

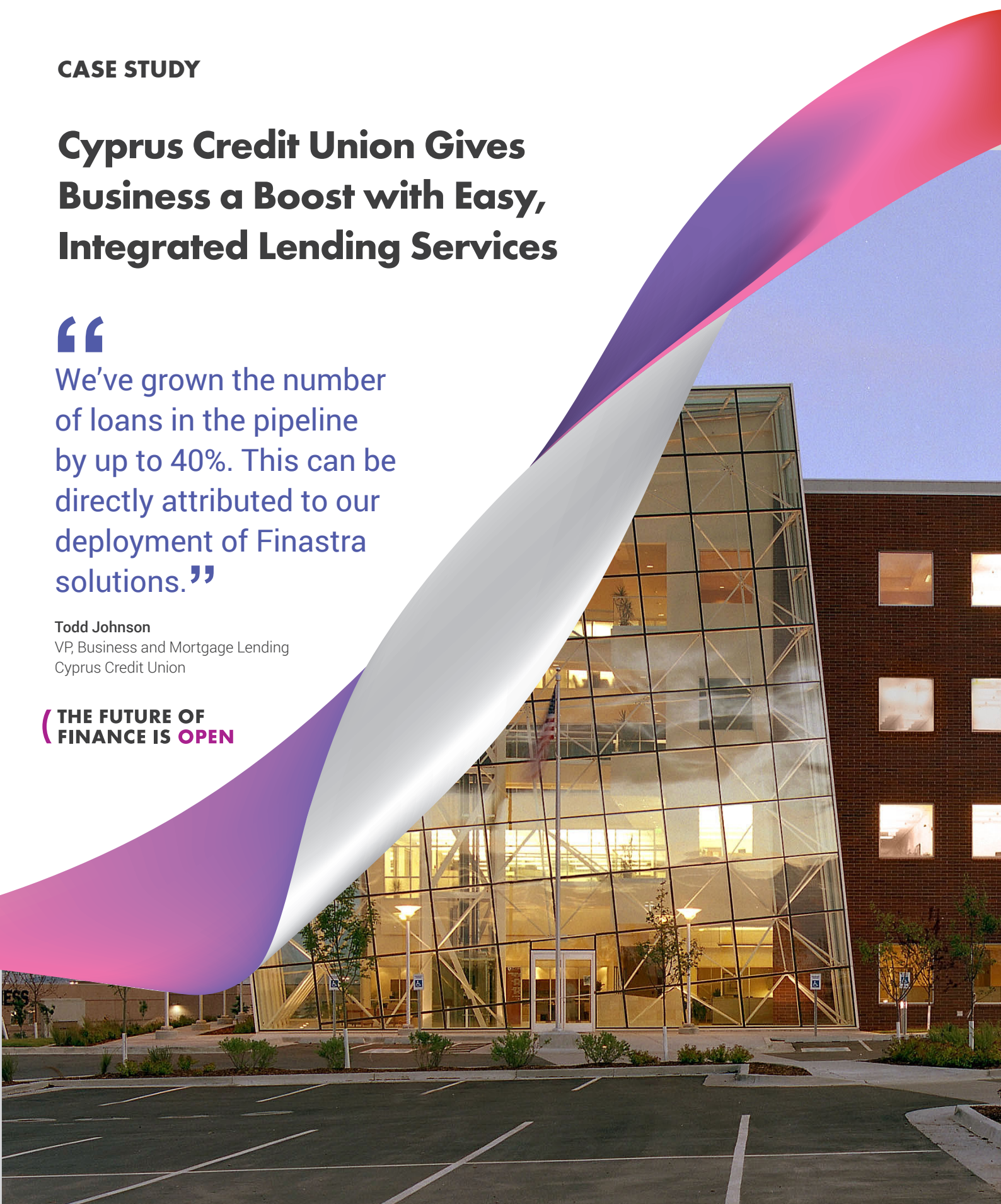


We've grown the number of loans in the pipeline by up to 40%. This can be directly attributed to our deployment of Finastra solutions.”

Todd Johnson

VP, Business and Mortgage Lending
Cyprus Credit Union

**(THE FUTURE OF
FINANCE IS OPEN**



At a Glance

Solution

- Fusion MortgagebotLOS
- Fusion MortgagebotPOS
- Total Lending Commercial – Complete

About Cyprus Credit Union

Cyprus Credit Union is a not-for-profit cooperative founded in 1928 by a small group of Kennecott Copper Company employees. The oldest active credit union in Utah, Cyprus currently serves more than 105,000 members and reports assets of approximately \$854 million.

The Challenge

For 90 years, Cyprus has been helping people across Utah to achieve their financial dreams. Always looking to add greater value for its members, Cyprus decided to launch new mortgage and commercial lending services – and needed a platform that could help it handle this new business in an efficient, compliant way.

The Solution

As Cyprus made the transition to a fully fledged mortgage lender, and enriched its commercial lending capabilities, the credit union turned to Finastra for support. Cyprus established an integrated platform for managing the complete mortgage loan lifecycle, using Fusion MortgagebotLOS and Fusion MortgagebotPOS solutions. To optimize commercial lending, the organization chose Total Lending Commercial – Complete, automating and streamlining underwriting processes to shorten closing times and enhance audit compliance.

The Result

Cyprus' mortgage business is experiencing phenomenal growth – the organization closed over 800 loans in 2016 and grew mortgage lending by 28% in 2017. Commercial lending volumes are also on the rise; Cyprus has increased the number of loans in its pipeline by up to 40% and eclipsed \$37 million in volume (a 20% increase) while keeping staff levels flat. Additionally, commercial lending teams can now prepare for audits in a quarter of the time that it took previously – a savings of more than 500 staff hours – and pass these audits successfully.

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Total Lending's Credit Manager automates and standardizes many tasks that make up the underwriting process, which helps us close loans faster.”

Bennion Gardner

Business Services Manager
Cyprus Credit Union



We anticipated that the mortgage business would grow by a further 20 percent in 2017, and despite increasing interest rates, we reached 28 percent.”

Brent Pearson

Associate Vice President for Mortgage Services, Cyprus Credit Union

When Cyprus Credit Union decided to expand its mortgage and commercial lending offerings, the credit union chose Finastra technology to support smooth, integrated operations from end to end

The Challenge

Like many credit unions, shorter-term consumer loans for things like vehicles, residential construction and remodeling had been Cyprus Credit Union's bread and butter for many years. That began to change in 2010, when a new CEO assumed office.

Todd Johnson, VP, Business and Mortgage Lending at Cyprus, recalls: “We realized we were missing some big opportunities in both mortgage and small business lending – especially given our size and reputation in the community.”

When it came to mortgages in particular, Cyprus had acted as a broker for other lenders, but had never funded mortgages itself. As the organization looked to make the transition to fully fledged mortgage lender, it knew that it required big changes in both philosophy and technology.

“In 2011, we contracted with a consultant to help plan a strategic shift,” continues Todd Johnson. “We wanted to get out of the broker mentality, sell directly to Fannie Mae, and increase our volumes. To execute these changes successfully, we needed the right technology.”

As a mortgage broker, Cyprus was already using a loan origination solution to key in clients' applications and transmit them to lenders. However, the system was not designed for the underwriting phase of the process – making it critical for the organization to fill the gap.

Todd Johnson notes: “We didn't want to just add another point product that we'd have to integrate with our existing loan origination software. We were looking for a solution that could support the end-to-end mortgage lending process.”

The Solution

Fortunately, Cyprus discovered that an integrated point-of-sale (POS) and loan origination system (LOS) for mortgages was coming together at Finastra.

“We have been a Finastra core banking client for 25 years,” says Todd Johnson. “The fact that an integrated, end-to-end mortgage solution was available under the Finastra banner made the decision very easy.”

Working with Finastra, Cyprus deployed Fusion MortgagebotLOS as its all-in-one loan origination system, and Fusion MortgagebotPOS to capture loan applications through every channel. Today, borrowers can complete their mortgage applications via a secure website, and apply for home equity loans through the same interface. Once completed, applications flow directly from Fusion MortgagebotPOS into Fusion MortgagebotLOS for processing and closing.

In addition, Cyprus harnessed the ImageFlow functionality within Fusion MortgagebotLOS to create a paperless operation in its mortgage department – supporting more efficient and flexible ways of working.

Brent Pearson, Associate Vice President for Mortgage Services at Cyprus, comments: “Going paperless was a big move for us. Our people can now access and manage all the information linked to a loan whether they're in the office or working remotely.”

In 2017, Cyprus introduced new MortgagebotMobile functionality, which enables borrowers to complete part or all of an application from a mobile device.

Transforming Commercial Lending

Having laid the foundations for its mortgage lending program, Cyprus instantly turned its attention to commercial lending. At the time, the process for closing a commercial loan was manual and somewhat informal.

Todd Johnson recalls: “It was an entirely manual process; we used Word templates for documents and Excel templates for credit underwriting. We kept track of loans in process on a whiteboard, and we did not have a tickler system to monitor loans after funding.”

This manual process did not prepare the team well for audits by the National Credit Union Association (NCUA), where Cyprus would stop sales efforts and loan application processing, and focus on nothing but preparing files for the audit for two or three weeks.

This added up to more than 700 staff hours per audit – including lost business opportunities during the time that the department was essentially closed.

What's more, Cyprus estimates that the commercial lending team expended more than 80 staff hours remediating audit findings.

The old process was also not conducive for loans guaranteed by the Small Business Administration (SBA) – causing Cyprus to miss out on valuable opportunities for new business.

“We wanted to get into the SBA market, and that was virtually impossible when we were tracking things manually,” notes Todd Johnson.

Supported by Finastra technology, Cyprus is boosting lending business, sharpening compliance and shaping a better member experience

Optimized Loan Processing

After evaluating several commercial lending solutions, Cyprus chose Total Lending Commercial – Complete. Todd Johnson remarks: “We liked the fact that we could get an end-to-end solution from a single vendor that covers the whole process from application to closing, and we liked the tight integration with our core system.”

Today, all commercial loans at Cyprus are processed through the Finastra platform. Bennion Gardner, Business Services Manager at Cyprus, explains: “Total Lending’s Credit Manager automates and standardizes many tasks that make up the underwriting process, which helps us close loans faster.”

Additionally, Cyprus has harnessed Credit Manager to set up a tickler system that automates follow-ups for closed loans—to verify that a client is current on property taxes, for example. “This is going to enable us to get into the SBA market in a big way, as we can now meet their requirements,” predicts Todd Johnson.

Cyprus also makes use of the Financial Analyzer functionality. “This enables us to spread financials in a uniform way for each borrower and each year,” says Bennion Gardner. “We can also calculate cash flow in multiple ways, which is quite helpful.”

Unlocking New Efficiencies

Finastra technology has brought tangible benefits to both mortgage and commercial lending at Cyprus. On the mortgage side, embracing paperless operations has reduced the time and effort involved in processing loans.

“Finastra solutions offer us a simple, secure way to share and manage documents electronically,” says Brent Pearson. “This minimizes the risk of important files getting lost in the shuffle, and saves a lot of phone calls, faxes and delayed closings.”

Having a smooth and compliant lending process has enabled Cyprus to build a flourishing mortgage lending business from the ground up, closing more than 800 loans in 2016. Brent Pearson adds: “We anticipated that the mortgage business would grow by a further 20 percent in 2017 and, despite increasing interest rates, we reached 28 percent.”

In commercial lending, Cyprus can now prepare for audits in a quarter of the time it took before – a saving of more than 500 staff hours. In addition, as fewer staff are required for audit preparation, the team can continue selling and processing loans during an audit, keeping business running smoothly.

Reaping the Rewards

Today, Cyprus is passing audits with flying colors, with the NCUA identifying no areas for remediation in the organization’s most recent audit. “We went from five detailed pages of audit findings to nothing,” confirms Todd Johnson.

In addition, Cyprus has seen an uptick in commercial loan applications and closures. “We’ve grown the number of loans in the pipeline by up to 40%,” states Todd Johnson. “And we’ve done this without any increase in staff. This can be directly attributed to our deployment of Finastra solutions.”

Crucially, all of these enhancements are helping Cyprus to shape an optimal lending experience for its members.

Todd Johnson concludes: “The service we deliver to our members is crucial. Having a streamlined and automated commercial lending system helps ensure that they keep coming back to us when they need assistance with future investments – and that is exactly what Finastra enables us to do.”

About Finastra

Finastra unlocks the potential of people and businesses in finance, creating a platform for open innovation. Formed in 2017 by the combination of Misys and D+H, we provide the broadest portfolio of financial services software in the world today – spanning retail banking, transaction banking, lending, and treasury and capital markets. Our solutions enable customers to deploy mission critical technology on premises or in the cloud. Our scale and geographical reach means that we can serve customers effectively, regardless of their size or geographic location – from global financial institutions, to community banks and credit unions. Through our open, secure and reliable solutions, customers are empowered to accelerate growth, optimize cost, mitigate risk and continually evolve to meet the changing needs of their customers. 48 of the world’s top 50 banks use Finastra technology. Please visit finastra.com

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