



## CASE STUDY

# Farm Credit Bank of Texas Doubles Loan Portfolio with All-In-One Lending



We have been able to effectively double our loan portfolio while keeping staff levels relatively flat.”

Michael Elliott  
Chief Information Officer, Farm Credit Bank of Texas

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FINANCE IS OPEN

A photograph of a building at night with the words "FARM CREDIT" illuminated in large, glowing letters on the facade. The sky is dark with some clouds, and a colorful, abstract graphic element in shades of purple and pink curves across the top of the image.

FARM CREDIT

## At a Glance

### Products

- Fusion Loan IQ
- Credit Management Enterprise



Fusion Loan IQ allows us to manage all types of loan products in a single system. This is unheard of in the farm credit space, and we're very excited to be taking this pioneering approach to loan management.”

### Michael Elliott

Chief Information Officer, Farm Credit Bank of Texas

### About Farm Credit Bank of Texas

Farm Credit Bank of Texas is a cooperatively owned wholesale bank with assets of approximately USD 18.3 billion. Part of the nationwide Farm Credit System, Farm Credit Bank of Texas provides loan funds and services to 14 retail lending cooperatives and two Other Financing Institutions (OFIs). The bank is also active in the capital markets arena, participating in large loan opportunities in the food, agribusiness, rural utility and rural communications sectors.

### The Challenge

With its business expanding fast, Farm Credit Bank of Texas wanted to keep pace with rising loan transaction volumes, but found that inflexible systems were threatening to buckle under the pressure. The bank looked for a more efficient way to process and manage loans for its affiliates, which would enable them to deliver a faster response to end customers.

### The Solution

Farm Credit Bank of Texas is working to consolidate lending operations to a single, integrated system. To enable the transformation, the bank selected Fusion Loan IQ for commercial loan servicing and accounting, with Credit Management Enterprise, a unified loan origination solution with flexible workflow for credit delivery.

### The Result

Consolidating to a single platform will reduce system maintenance and integration costs—boosting profit margins and increasing dividends for affiliates. Improved efficiency will enable the bank to effectively double its loan portfolio while keeping staff levels relatively flat. Employees can use timely, accurate information to drive better-informed decision-making, improving services.

[farmcreditbank.com](https://farmcreditbank.com)



## Credit Management Enterprise gives us a great solution for managing front-end credit delivery.”

**Michael Elliott**

Chief Information Officer, Farm Credit Bank of Texas

### Farm Credit Bank of Texas is unifying its entire lending portfolio with an integrated approach that boosts operational insight and efficiency, and gives its business room to grow

#### The Challenge

Farm Credit Bank of Texas plays an integral role in providing rural borrowers with a reliable source of capital. In addition to providing loan funds to its affiliated lending cooperatives, the bank also operates and manages the systems these affiliates need to control the entire loan lifecycle.

Michael Elliott, Chief Information Officer at Farm Credit Bank of Texas, says: “To fund loans to our affiliates, we maintain a direct note—which is like a big revolving line of credit—with each lending cooperative. The notes range in value from approximately USD 200 million to USD 5 billion, and there is a lot of effort that goes into originating and servicing all the different loans that we finance.”

With business going from strength to strength, Farm Credit Bank of Texas wanted a more efficient way to manage the rising number of loans for its affiliates.

Michael Elliott adds: “We had built up a complex patchwork of systems to manage the lending lifecycle. It was becoming increasingly difficult for users to navigate through this landscape to access the information and processes they needed to service loans. It was also time-consuming and costly to integrate new systems, and manage the entire environment.”

#### The Solution

Farm Credit Bank of Texas wanted to find a more unified and automated way to manage lending operations. This would help to reduce costs and enable affiliates to process and close loans much more efficiently, helping them deliver a more responsive service to customers.

To meet its objectives, the bank has been working to consolidate and streamline its lending operations, selecting Fusion Loan IQ as the key enabler for this transformation effort.

Michael Elliott notes: “What makes Fusion Loan IQ unique is that it allows us to manage all types of loan products, from residential, mortgage and commercial lending to capital markets participations, in a single system. This is unheard of in the farm credit space, and we’re very excited to be taking this pioneering approach to loan management.”

#### Optimizing Lending Operations

The new approach is helping Farm Credit Bank of Texas to manage mid-market lending and its core lending portfolio more effectively.

Michael Elliott remarks: “We introduced Fusion Loan IQ in 2010 to manage participation lending, and have been working to extend the solution ever since. It will ultimately serve as our core loan accounting system, supporting the breadth of our portfolio—from complex participations to simpler bilateral loans.”

To further enhance its commercial lending operations, Farm Credit Bank of Texas is optimizing front-end lending workflows with Credit Management Enterprise.

Michael Elliott states: “Credit Management Enterprise gives us a great solution for managing front-end credit delivery. We are eliminating redundant procedures and automating workflows, helping our affiliates to work more efficiently and deliver higher-quality services.”

# Unifying lending operations on an integrated platform will help teams work more productively, all while keeping tight control over costs



With deeper insight into customers and portfolios, teams will be able to make better-informed decisions, and engage more effectively with customers.”

## Michael Elliott

Chief Information Officer, Farm Credit Bank of Texas

## Driving Efficient Growth

The combination of Fusion Loan IQ and Credit Management Enterprise will provide Farm Credit Bank of Texas with a robust platform for managing the end-to-end loan lifecycle.

With information on customers and portfolios available in a single location, business users can quickly view and act on information to deliver a more responsive service.

Michael Elliot remarks: “For the first time, our affiliates will be able to see the entire exposure that they have with each end customer, as well as their aggregation and attribution. With deeper insight into customers and portfolios, teams will be able to make more informed decisions, and engage more effectively with customers.”

By replacing disparate lending systems with an integrated platform, Farm Credit Bank of Texas will help its teams to work more productively and manage risk, all while keeping tight control over costs.

The improved efficiencies will enable the bank to meet its goal of growing the business without sacrificing quality of service.

Michael Elliott concludes: “Moving to a more integrated system has already brought a much-needed boost to operational efficiency, allowing us to process a higher volume of loan transactions. In fact, we have been able to effectively double our loan portfolio while keeping staff levels relatively flat. The more efficient we can be with our costs, the more dividends we can pay back to our affiliates, which means that they have more capital to lend to customers—it’s a win-win situation for everyone.”

## 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](https://www.finastra.com)

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## Corporate Headquarters

4 Kingdom Street  
Paddington  
London W2 6BD  
United Kingdom

T: +44 20 3320 5000

