

# Large New York Based Bank Transforms Its Commercial Loan Origination

## The Client

The client is a large New York based bank. It offers a full range of consumer and business products with a primary focus on business accounts and commercial lending.

**“We have been working on this journey with Newgen for about six months now and we are excited that we are implementing technology that will enable us to have a much better control over our Commercial Loan process.”**

**Sr. Vice President, Credit Administrator**

## Barriers to Growth

The client aspires to be a preeminent bank. It aims at providing premium services and a superior customer experience.

The Bank was on a growth trajectory and wanted to efficiently manage the growing volume of its Commercial and Industrial, Commercial Real Estate and Small Business Administration loan applications.

As a starting point, it wanted to overcome lengthy origination of loans without compromising on effective regulatory compliance and risk management. It also realized the value of engaging customers digitally and harnessing technology for offering a seamless digital experience. Further, the Bank was burdened with siloed and unstructured processes. It was unable to utilize the information residing in its legacy systems. It lacked a mechanism for tracking and monitoring loan applications, covenants and customer documents. The bank lacked a defined workflow for the renewal and modification of SBA loans and there were no means of reviewing critical loan parameters.

In order to overcome these barriers to growth and to deliver quality services to its customers, the bank decided to automate its loan origination.

### Growth Bottlenecks

- High turnaround time
- Siloed processes
- Lack of tracking and monitoring mechanism
- Unstructured sub processes
- Disjointed legacy systems

**“We realized that as much as we wanted to grow, we needed to build upon a stronger infrastructure that could support our aspirations.”**

**Sr. Vice President,  
Credit Administrator**

## Goals of the Project

- Unified platform for processing of loan applications with elimination of redundant tasks, reduced manual labor and streamlined processes
- Seamless flow of information across departments
- Mitigation of risk of future NPA's and loan defaults with sensitivity analysis and stress testing
- Structured sub-processes such as third party appraisals, attorney communication, fees management
- Effective tracking and monitoring of covenants, loan applications and customer documents
- Well-defined workflow for termination and modification of approved loans
- Defined process for small business loan renewals and modifications
- Effective review of key and critical loan parameters for monitoring the lending process
- 360-degree dashboard reporting/ visibility across systems, processes & departments

## Why the Bank Selected Newgen's Loan Origination Solution

With well-defined objectives and outcomes, the bank searched for vendors to automate its Commercial Loan Origination. They required a premium automation solution that would enable them to offer superior customer experience and achieve their business goals. After a thorough exploration, they selected Newgen's Commercial Loan Origination Solution.

<b>Agile &amp; Configurable Product</b>	The implemented solution offered a configurable framework. The Bank owned the solution and could make dynamic changes as per their business requirements
<b>Solution Convergence</b>	Newgen's Transaction Processing platform could converge organically developed tools such as: a Process Modeler, Business Rules Engine, Case Management, Master Data Management and Business Activity Monitoring
<b>Domain Expertise in Banking</b>	Newgen has a niche focus in the Banking and Financial Services with 200+ Banks with mission critical operations in the Retail, Commercial and Payment Processing space. The Bank had high stakes and wanted a credible partner for the project
<b>Global Delivery Model</b>	Newgen has an industry recognized Global Delivery Model. This helped the bank in faster implementations and better customer participation from the very beginning of project
<b>Outcome Based Approach</b>	Newgen's Loan Origination Solution offered a fine balance between Business and IT features. Business benefits included role-based governance, extensive checks and balances, configurable processes etc. Whereas, IT benefits included leveraging investment in legacy systems, less disruption, change management

## Key Processes Transformed

Loan Origination process for following:

- Commercial & Industrial (C&I)
- Commercial Real Estate (CRE)
- Small Business Administration (SBA)

**“We searched out various vendors and found that Newgen was the vendor that was able to meet all our needs.”**

**Sr. Vice President,  
Credit Administrator**

## Newgen's Loan Origination Solution Delivers Promise

The solution aligned with the bank's overarching vision of delivering premium services and enhanced customer experience. It catered to the bank's growing scale of operations and streamlined processes.

### End-to-End Automation

- Comprehensive reporting
- Standardized lending processes
- Enhanced tracking and monitoring of loan application by 75%

### Improved Compliance & Process Automation

- Improved First-Time-Right Practice by 50%
- Increased customer auditing and regulatory compliance by 75%

### Increased Profitability

- Improved employee productivity by 45%

- Reduced turn-around-time by 40%
- Reduced Operational cost by 50%
- Improved performance

### Better Visibility and Control

- Better visibility of process status by 75%
- Reduced risk of NPAs and loan defaults with periodic financial analysis independent of loan processing
- Enhanced external/internal audit capabilities
- Reduced risk exposure
- Reduced manual intervention by 30%

### Enhanced Customer Experience

- Improved Customer Service Tracking by 75%
- Regular e-mail/letter communication with customer
- Faster loan Disbursal by 45%

**“We are all very excited about the implementation of Newgen technology in our Commercial Lending platform and we are looking forward to the benefits of it, which are efficiency, standardization, control and even the ability to generate more income by getting loans booked quicker”**

**Sr. Vice President,  
Credit Administrator**

## About Newgen

Newgen Software is a vendor/provider of Business Process Management (BPM), Enterprise Content Management (ECM), Customer Communication Management (CCM), Document Management System (DMS), Workflow and Process Automation software. The company has a global footprint in over 60 countries with large, mission-critical solutions that have been deployed in Banks, Insurance firms, BPO's, Healthcare Organizations, Government and Telecom Companies.

Newgen's Quality Systems are certified against ISO 9001:2008 and Information Security Standard, ISO 27001:2013. Newgen has been assessed at CMMi Level3.

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