



## Case Study: Old Point National Bank

*Old Point National Bank has come a long way since it launched in 1923, operating from a single counter inside a confectionary store. While it might have gained 19 branches in the 95 years since, one thing that hasn't changed is its focus on community. And it was the community that Lars Farnham was focused on when the bank brought him on in 2016 to restart their indirect lending position.*

### The Problem: A stalled indirect lending program backed by old tech

With 24 years in indirect lending, Lars Farnham knows a thing or two about how lenders can keep dealerships happy, and 10-year-old "tech" isn't on his list. Yet that's what greeted him when he joined Old Point National Bank in 2016. At that time, the bank was using what Farnham refers to as "the Flintstones of loan origination systems."

The bank never intended to be in this situation, but in 2008 when the economy was struggling, they hadn't wanted to invest in tech and instead backed away from lending to dealers. So why the change of heart in 2016? They realized they were missing out. Not only that, but they had a surge of capital they needed to invest, something that could definitely help them get their indirect loan level up to where it should be.

But with a smaller portfolio of \$5 to \$6 million a month, the price tag on many of the existing loan origination systems didn't make sense, which meant Farnham had to search for a more affordable option that still had all the features he required. Tired of the expensive, inflexible systems he'd used in the past, Farnham was fixed on getting a configurable, cloud-based, affordable system like the one created by TCI.

### The Solution: Fast application processing, affordable costs

Farnham knew the minute he joined Old Point National Bank that he wanted to go with DecisionLender 4 (DL4). "We needed something reliable that loan officers and dealer reps could log into remotely and access reports while in the field. DL4 is by far the most efficient and intuitive system that I've worked with."

Farnham didn't move forward without conducting extensive due diligence, however. He held meetings and had demos of several other loan origination systems, but none of them offered the robust features he wanted. Cost-wise, Farnham said that DL4 was a no-brainer. Without knowing how much volume the bank's newly relaunched indirect lending program would bring in, they had to monitor potential costs carefully and control their initial investment. "TCI is very good about laying out in the contract exactly what you are paying for. So we were better able to gauge the cost to run the department on a per-app basis, which made it very easy for us to budget ourselves."

One additional hurdle Farnham faced was that his underwriters weren't tech savvy. To train them on DL4 ahead of the launch, Farnham had them use the demo site. "They'd input an app on the demo site, pull credit and figure it out from there. Once they got used to navigating the different screens, it was very easy for them. Using the demo site was very helpful," said Farnham. It's a good thing the demo site helped because TCI had them up and ready to go in just a couple of weeks.

## The Results: Double the business, double the speed

Upon reentry, Old Point National Bank's indirect lending program took off immediately. Their volume exploded far more than they expected, pushing production to \$10 million by the fifth month. Since DL4 made it seamless, Farnham and his underwriters were easily able to handle the unexpected volume, despite choosing not to activate auto-approvals. Better yet, the system has always been available every time he or his staff needed it—something Farnham was initially concerned about. "I wanted a cloud-based system because of the level of flexibility. I wanted the ability to log in remotely and not have to maintain an on-site server, but I did have concerns about how often it goes down for routine maintenance. But we've never had a problem. Not once," said Farnham.

An unexpected benefit Farnham also enjoys is the level of service offered by TCI. "When we vaulted to \$10 million a month, we had a problem inputting those loans into our core. So they had to be hand-typed into the core system, and we fell months behind until we found a workaround. To implement that fix, we needed TCI to help us revise some of the fields. There were no tickets and no wait times; TCI did it in record time, ultimately saving us a great deal of money."

We asked Farnham what Old Point National Bank's future plans were, and while he wasn't definitive, he mentioned that the bank might see some further geographic expansion. "We love the system, and we know we can rely on it—so we're not afraid to grow."