



QuestSoft Case Study

Independence Bank of Kentucky Trims Time Spent on HMDA and CRA by 75 percent



Who:

Debbie Clayborn, vice president, Compliance and CRA officer Owensboro, Ky.-based Independence Bank of Kentucky (\$900 million assets)

When:

2007 to present: Using QuestSoft's HMDA RELIEF and CRA RELIEF to maintain compliance.

What:

Needing an automated software tool to reduce the time and staffing resources spent on HMDA and CRA, Independence Bank of Kentucky turned to QuestSoft's compliance products. In less than two years, the bank has reduced the time spent on HMDA by 75 percent and trimmed eight days from their fair lending review.

About Independence Bank of Kentucky

Independence Bank of Kentucky's charter can be traced back to 1909 with the present day history beginning in 1997. Since the beginning, Independence Bank has been committed serve the customer with unparalleled service and an extraordinary banking experience. For more information about the bank, visit www.1776bank.com.

About QuestSoft

Laguna Hills, Calif.-based QuestSoft is an established provider of comprehensive and automated compliance software and services to the mortgage, banking and credit union industries. The company's products enable more than 1,500 banks, credit unions and mortgage companies to simplify the collection, analysis, compilation and reporting of key lending regulatory report data. For more information about QuestSoft and its products, visit the company's Web site at www.questsoft.com.

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Challenge

Independence Bank of Kentucky (\$900 million assets), a community bank based in Owensboro, Ky., faced a common challenge – maintaining compliance with Federal lending regulations without sacrificing hours of staff time to the efforts. Prior to 2007, the bank was spending too much money and resources on excessive staffing to comply with the Home Mortgage Disclosure Act (HMDA).

"We used to have two full-time staff members and a part-time worker manually compiling and reporting annual HMDA data," said Debbie Clayborn, vice president of Compliance and CRA officer at Independence Bank of Ky. "We absolutely needed a more automated system that would cut our paper costs and help us focus our human resources on more productive areas."

The bank requested a list of compliance partners who could integrate with their core banking system, Harland Laser Pro. In addition to a HMDA tool, the bank also needed a tool to automate the collection of Community Reinvestment Act (CRA) data. After considering their options, the bank selected two programs from QuestSoft, HMDA RELIEF and CRA RELIEF.

Solution

HMDA RELIEF provides Independence Bank of Kentucky an easy-to-use interface that enables the bank to import, analyze and compile their HMDA & CRA reports quickly. The software facilitates direct importing of data from the LOS, automated geocoding and error correction, online report submission and analysis of lending data to identify additional markets.

"QuestSoft gave us the most bang for our buck," Clayborn said. "HMDA RELIEF worked with our existing software, so we did not have to worry about the interface with Harland Laser Pro, and we received more robust tools than other services at the same price point."

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Solution *(continued)*

The bank also selected CRA RELIEF, which ensures banks meet all federal CRA regulations for performance ratings and produces the same lending test reports that the examiners use. It is designed to offer a practical solution that further simplifies the collection of data and performance analyses done to verify compliance.

"We are not required to report CRA data, but regulators prefer that you track the data regardless of whether you have to report," Clayborn said, "CRA RELIEF helps us support programs that will enhance our rating and produce the reports examiners like to see."

Result

Using HMDA RELIEF and CRA RELIEF, Independence Bank of Kentucky has realized significant returns, especially in the area of staffing needs. Because of the seamless interface to the LOS that works with both HMDA and CRA, the bank was able to reassign a data input staffer to another department, and Clayborn estimates the bank has trimmed 75 percent off the time needed to prepare and file HMDA files each year.

"Not only are we completing our compliance needs with fewer personnel, we are more accurate," Clayborn said. "The FFIEC

updates usually arrive four or five months after I need the information, but QuestSoft updates the program monthly, giving me the most up-to-date data possible. "

Clayborn also praised QuestSoft for upgrading the programs' capabilities to meet the demands of the market. The bank recently added a fair lending update in response to regulatory changes.

"I had been spending two weeks on fair lending each quarter, mostly inputting data," Clayborn said. "Now we can upload directly from our core system, and we save eight days per quarter on fair lending preparation."

Clayborn added that the few times the bank has needed to contact QuestSoft for help, the company has exceeded her expectations for customer service.

"When you call QuestSoft, you get the same person each time who knows your account and your needs," Clayborn said. "Their staff understand HMDA and CRA inside and out, and they help me not just run the software but improve our own compliance process. I've been in the compliance field for 30 years, and this is the best purchase I have ever made."

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