

Northwest Bank Creates a Seamless Digital Lending Experience With Loan Director Flex



Client Profile



Northwest Bank was established in a small town in northwestern Pennsylvania in 1896. Today, it manages around \$14 billion in assets and operates 170 branches across Pennsylvania, New York, Ohio and Indiana. Forbes named Northwest one of “America’s Best Banks” and among the “World’s Best Banks.” Northwest is also a seven-time recipient of the J.D. Power Award for customer satisfaction.

Challenge

Northwest Bank needed an end-to-end, self-service, digital lending experience to win customers and expand geographically. The bank’s current lending solution didn’t meet customers’ expectations – or the bank’s high standards. Plus, lending processes were too manual to grow or scale.

Solution

Northwest Bank launched Loan Director Flex from Fiserv to give customers fast, easy and secure self-service capabilities. Customers enter minimal information online and receive a quick, risk-evaluated response to their loan application. The solution supports multiple loan types and is seamless, even if customers switch channels mid-journey.

Proof Points

Loan Director Flex helped Northwest increase its loan business and operate more efficiently. About 43% of loan applications start online today – up from only 10% before. The time to render a decision dropped two days, on average, and many decisions are issued immediately. The bank cut three days from the loan cycle, from application to closing. And the average approved credit card limit increased 60%.



Northwest Bank aspired to grow beyond its brick-and-mortar footprint. But it couldn't add significant loan volume without adding manpower or infrastructure, because its processes were manual.

Customers had to visit a branch or use a static, online form to apply for a loan. Then, staff had to re-enter customer data into the loan origination system (LOS) for processing and underwriting. On average, it took four days for the bank to make lending decisions and distribute funds.

"We weren't proud of what we were putting in front of customers," said Jim Colestro, Northwest's EVP of Retail Lending and Business Banking. "It got the job done, but we weren't bragging about it."

Customers expect simple digital experiences and immediate feedback, he said – and Northwest couldn't deliver either at the time.

The bank needed a robust ("brag-worthy") digital lending experience, to compete. It also needed more efficient lending processes so it could give customers faster feedback about their applications and decrease the time to close.

Northwest wanted to bring its lending solution up to market standards – and then raise the bar.



Power and Flexibility

Northwest selected Loan Director Flex, a digital lending solution from Fiserv, to give customers fast, simple and secure self-service capabilities.

Loan Director Flex is a mobile-first LOS that makes it easy for customers to apply for loans 24/7. Loan Director Flex supports multiple loan types and is seamless, even if customers switch channels mid-journey.



It's not one-size-fits-all banking. We can flex to meet customers where they are, whether that's on an app or face-to-face."

Jim Colestro

EVP of Retail Lending and Business Banking
Northwest Bank

Northwest integrated Loan Director Flex with Deposit Director Flex from Fiserv to automate and streamline underwriting and onboarding for new loans and to develop full-service relationships with customers.

During the project, Northwest also made operational changes to focus on a limited-touch model and switched to a centralized support model. Fiserv partnered with Northwest to consolidate the rules engine in Loan Director Flex to support multiple solutions and further increase efficiency.





A Better Solution for Borrowers

Loan Director Flex gave customers digital lending capabilities they didn't have before – but retained the option for face-to-face banking.

Before, customers had to call into the customer service center to finish their online loan application. Because the process was cumbersome, less than 10% of loan applications started online. Now 43% of loan applications start online, and about 35% of loan applications are finished online without any staff intervention.



Loan Director Flex gave us the ability to offer easy, secure and fast self-service online and serve customers who want to bank in a branch or with a loan officer."

Jim Colestro

EVP of Retail Lending and Business Banking
Northwest Bank

Customers enter minimal information online and receive a quick, risk-evaluated response. Applications are intuitive and can be completed in about three minutes.

Integration with other applications helps the bank quickly render risk-evaluated lending decisions. The average approved credit card limit increased 60%, from \$4,500 to \$7,200, while the time from application to decision dropped two days (66%), on average. Many decisions are issued immediately.

Today, Northwest offers faster and more flexible loans with competitive rates. Customers get speedier feedback about their loan status, regardless of when, where or how they bank. And Northwest can move money into customer accounts more quickly. With Loan Director Flex, Northwest cut three days from application to closing (a 75% decrease).



A Source of Pride

Northwest introduced a digital lending product to rival that of anyone in the market – and that bankers were proud of.

"Our bankers became believers," said John Golding, Northwest's SEVP of Consumer Banking. Once Loan Director Flex was launched, the implementation team started getting compliments from the field. "They loved the positive experiences customers were having with the technology," he said.

Loan Director Flex also changed the day-to-day employee experience. Team members can "do more with less" – and that makes it possible for the bank to expand its capabilities and target markets.

The project also strengthened the partnership between IT and the line of business. The project was managed collaboratively – neither department was "in charge." Now, both teams understand how decisions impact customers and they created a model for future success.

"We became completely aligned," Colestro said. "We made decisions together and the end result is better."

A great bank is more than an app. Northwest used lending transformation to differentiate itself and align its teams and processes around customer experience.



There's excitement in consumer lending again, and that's a big deal in our line of business. We have a competitive product that can compete with anyone, and we're proud to show it to our customers."

Jim Colestro

EVP of Retail Lending and Business Banking
Northwest Bank



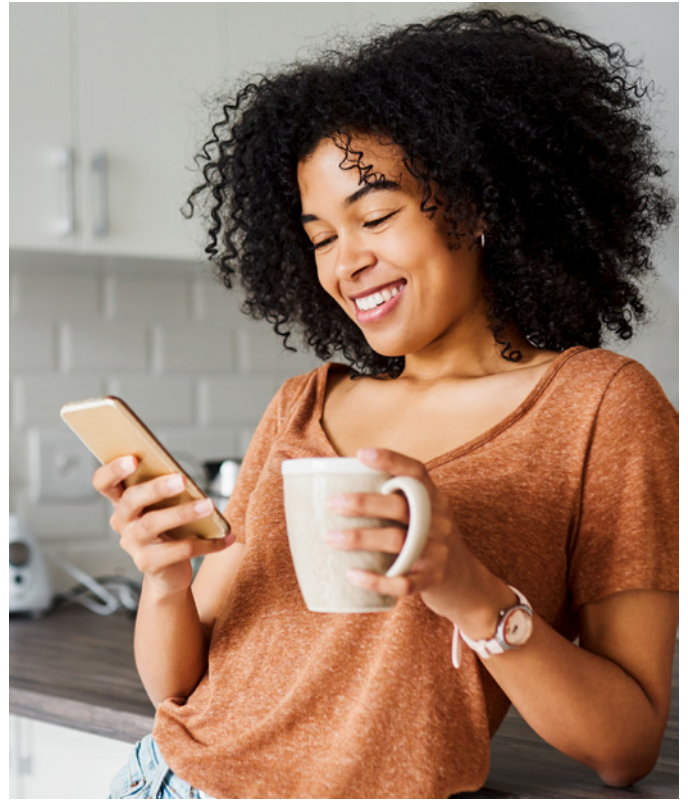
A Digital Future

Looking ahead, Northwest wants to win customers and transactions outside its traditional, physical territory. Now it has the right technology to support those goals.

Loan Director Flex transformed the bank's lending operations, bringing them up to industry standards in terms of self-service and customer experience.


"Our solution was built through an experience lens first, and it's on par with much larger banks," said Scott Watson, Northwest's CIO.

Self-service options are driving loan growth, even in a subdued market, which bodes well for the future. The bank can introduce lending products and services in new and underserved territories while providing the same quality service and experience it delivers closer to home.



Connect With Us

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