



CLIENT SUCCESS STORY

30%

reduction in delinquency



enhanced customer experience



reduction in the number of manual reviews annually

PIONEER BANK

As banks and credit unions continue to evolve their offerings for customers in an age of digital transformation, there is a growing need to implement a full-scale portfolio monitoring solution. That was the case for Pioneer Bank, a full-service financial institution with 22 New York locations. After implementing Baker Hill NextGen® for loan origination, Pioneer again turned to Baker Hill to provide a solution to monitor and mitigate risk in its loan portfolio.

► The Challenge

At the time, Pioneer had approximately 650+ business clients that were subject to annual reviews that relied on manual processes that didn't always account for the most recent account data. Pioneer needed a proactive and real-time solution to monitor for fraud and risk when customers were experiencing hardships, a system that would allow the bank to see if things were trending in the wrong direction before the financial documents were submitted.

► The Solution

After evaluating the options, it was clear to the Pioneer team that the best solution was Baker Hill NextGen® Portfolio Monitoring. Thanks to the technology's flexibility and configurability, Baker Hill was able to create triggers that alert the appropriate resources at Pioneer if a customer's activity indicates risk factors, such as non-sufficient funds or account overdraft, loan delinquency, late payments, credit scores changes, or other behaviors indicative of risk. These triggers help the bank's team be proactive and offer better service to customers.

By engaging early when there are shifts in account management activity, bankers are able to offer solutions or suggest alternatives that mitigate problems as they arise and help keep accounts from moving to collections. This was a powerful advantage during the COVID-19 pandemic. With Baker Hill's help, the Pioneer team also started to use a custom system for monitoring behavior within the portfolio using a list of traits or actions that often indicate



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As demonstrated in recent years, no one knows exactly how the economic forces will play out. But what we do know is that it will impact all parts of a loan portfolio. By gaining a complete view of the credit and operational risk associated with a credit relationship or a portfolio segment, lenders like Pioneer can make better decisions and help foster successful outcomes for their clients.



risk and assigned all portfolios a risk-based score. Using these scores, the team now is able to compare the traits within the portfolio and determines if there is risk beyond the pending financial documents. These results are monitored daily, allowing for an up-to-date picture of portfolio risk, helping bankers identify weaknesses so they can provide solutions in a timely fashion.

Pioneer was able to also adapt its monitoring system to match the specifics of its portfolio. New criteria can be customized within the consumer lending side of the portfolio that differ from the business criteria that calculates commercial lending risks. Factors can also be weighted depending on what info the bank determines to be most valuable.

One key benefit that Pioneer frequently utilizes is the ability to trend out the data over a specified period, allowing for a bird's eye view to determine if an account is improving its risk score or if it's declining. By analyzing a year's worth of data, Pioneer can create a comprehensive view that can be compared to the same period in previous years or months. This paints a real-time snapshot of portfolio risk and provides an improved opportunity to manage the risk and prevent it from being written off as a loss.

► The Results

Through leveraging the factors and monitoring the trends with Baker Hill NextGen® Portfolio Monitoring, Pioneer has been able to enhance the customer experience as well. Loan relationships can more closely be monitored and provided with additional personal service to help clients manage financial uncertainty. The triggers can also be used as an internal sales tool, allowing the team to monitor when a loan has been paid down or when more money becomes available, creating additional retention and cross-sell opportunities.

Through the implementation of Baker Hill NextGen® Portfolio Monitoring, Pioneer has been able to reduce the number of manual reviews that take place annually. There has been at least a 30% reduction in delinquency since the full model was scored within the platform. By creating a sharper, more compelling picture of their assets, Pioneer is finding new ways to leverage this type of data to increase profitability and provide improved services to their customers.



Baker Hill is in the business of evolving loan origination by combining expertise in technology with expertise in banking. Built on decades of walking alongside banks and credit unions as they provide vital resources to their communities, Baker Hill NextGen® is a configurable, single platform SaaS solution for commercial, small business, consumer loan origination, and risk management that grows along with you as your business needs change. Baker Hill is lending evolved. For more information, visit www.bakerhill.com.