



## CLIENT SUCCESS STORY ESL FEDERAL CREDIT UNION

**\$670m** increase in member business loans

**4x** the number of loan application in 2013

**800%** increase in deposit dollars since 2013



As part of the institution's longstanding history, ESL Federal Credit Union has always been deeply invested in the success of the local businesses operating in the Rochester, NY community. Whether it's an entrepreneurial start-up, a growing small business, or a large corporation with thousands of employees, business members count on ESL to move forward and reach the next level of success. To further its mission, ESL chose to enhance its commercial and small business lending experience by partnering with Baker Hill. The credit union sought to optimize its lending workflows and streamline the underwriting process, specifically for business loans less than \$100,000.

### ► The Challenge

Founded in 1920 and with more than 100 years of locally owned history, ESL Federal Credit Union is a full-service financial institution serving more than 415,000 members and 156,100 businesses. With 24 local branches, the New York-based federal credit union serves members throughout the Greater Rochester area.

To drive business and commercial loan growth, ESL leaned on Baker Hill for portfolio segmentation, which would allow their experienced team members to focus on the larger, more complex loans while smaller deals can be originated using a standardized, streamlined process. The goal was to define a loan origination segmentation strategy that would drive efficient portfolio growth while delivering a superior member experience.

### ► The Solution

The ESL team of relationship managers have more than 150 years of combined lending experience in helping local businesses achieve their goals. They also bring an in-depth understanding of the Rochester market and the industries that operate there, which means that loan decisions are made by people who truly understand local businesses and the economy they operate in.

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**We take pride in our reputation as one of the nation's top business lenders and Baker Hill has played a key role in helping us accomplish that."**

**Keith Cleary**

Director of Business Banking  
ESL Federal Credit Union

The credit union's team wholeheartedly believes that the success of local businesses is vital to the future of the Greater Rochester community and the level of service the team strives to provide reflects this.

To give these experienced relationship managers more time to focus on serving business members across its network of 24 branches, the credit union realized it needed to refine its lending processes.

Today, ESL leverages the company's flagship product, Baker Hill NextGen® Small Business Loan Origination. By partnering with Baker Hill, the credit union has significantly streamlined its entire business loan origination process and efficiently grown its loan portfolio. The credit union also uses Baker Hill NextGen® Portfolio Monitoring, which has streamlined the annual review process and supports more proactive portfolio management thanks to rules-based triggers that flag high-performing loans for easy renewals and cross-selling while identifying and monitoring potentially troubled accounts.



By leveraging Baker Hill NextGen®, along with the company's consultative services to clearly define its portfolio segmentation strategy, ESL has experienced consistent loan growth for more than 10 years with no discernable impact on credit quality. ESL still employs traditional underwriting methods for large commercial deals and new money takes priority in the credit queue, ensuring these valuable opportunities receive the highest level of attention and service from the credit union's team, while smaller business loans are pushed through a more standardized origination workflow.

With Baker Hill NextGen®, the credit union's relationship managers can easily access member business information to support the sales process and encourage strategic sales planning. The solution facilitates sales pipeline management reporting, deal creation and a robust credit memorandum so opportunities can be analyzed and decisioned with speed and accuracy.

ESL is now able to support auto-decisioning for business loans under \$100,000 through an optimized credit approval process, which gives relationship managers more time to grow and develop member business relationships, manage referrals and more, all through a single platform. Meanwhile, the loan review process is much more efficient thanks to Baker Hill's ability to automate credit risk management and maximize portfolio performance with less manual intervention.

### ► The Results

Since partnering with Baker Hill and enhancing its business lending processes, ESL has grown its business loan portfolio by more than 500% and has more than doubled its loan applications. In 2020 alone, the credit union received over 3,000

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loan applications, which is over 4X the number of applications received in 2013. ESL has also seen a 15X increase in SBA loans and over the last decade, the credit union has increased member business loans from \$130 million to \$800 million.

Overall, the credit union has grown to serve over 15,000 businesses throughout Rochester, an increase of more than 200% compared to 2013. Beyond loan growth, ESL has seen tremendous deposit growth by serving more businesses. The credit union increased deposit dollars by nearly 800% since 2013.

In addition to loan growth, ESL has streamlined loan reviews, which has helped ensure a better experience for both member businesses and the credit union's staff. By shifting from a reactive, manual account review to Baker Hill NextGen® Portfolio Monitoring, ESL has reduced the time it takes to conduct a full annual loan review from eight hours to just three hours. For loans that only require limited review, the process now takes less than 30 minutes and automated reviews take just 15 minutes. As a result, ESL has been able to automate credit risk management to lower costs and support better loan decisions faster, benefitting both the credit union and its member businesses.

These metrics show that ESL is deeply invested in the Greater Rochester business community and is making a meaningful impact in its local economy. By working with Baker Hill to best serve the banking and financing needs of local businesses, ESL has stayed true to its commitment to excellent service and the success of the Greater Rochester business community.

“Since our founding, we have always been deeply invested in the success of the local businesses operating in the Rochester community. Entrepreneurial start-ups, growing small businesses, and large corporations alike count on ESL to move forward and achieve success, and we're proud to support such a wide range of member businesses,” said Keith Cleary, Director of Business Banking at ESL Federal Credit Union. “Today, we are the number one credit union for SBA lending in New York State and number five in the U.S. for SBA loans. We take pride in our reputation as one of the nation's top business lenders and Baker Hill has played a key role in helping us accomplish that. We look forward to our continued partnership together and remain committed to helping more businesses thrive and prosper.”



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](http://www.bakerhill.com).