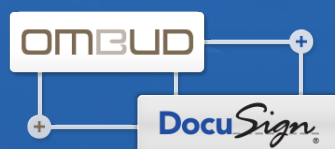


How Royal Credit Union Aligns Business and Customer Needs with DocuSign





The Value

Today, customers are the empowered entities, dictating how and when they interact with businesses. Financial institutions must reinvent themselves based on the lifecycle of the customer experience and meet expectations for mobile convenience at a competitive rate. By switching to paperless transactions, eSignature technologies provide efficiency gains and significant cost savings. Transactions become more convenient for the customer when financial institutions no longer need to manually prepare and archive hard copies of documents. Equally important to financial institutions that want to become more streamlined, eSignature best practices enforce workflow rules, reduce document errors and help demonstrate full compliance with demanding regulations.



Summary

Serving more than 140,000 members, Royal Credit Union (RCU) is a member-owned, not-for-profit financial cooperative comprised of 24 branches in western Wisconsin and eastern Minnesota. RCU's main coverage area is 20,000 square miles primarily comprised of rural communities with population densities less than four percent of that in US urbanized areas.¹ A call center and online self-service must therefore support members remotely. RCU worked with DocuSign to make over-the-phone and online loan origination truly convenient and eliminate the need for a branch visit. This convenience is especially important to RCU members residing as far as four hours from the nearest branch.

¹ <http://www.census.gov/geo/reference/ua/uafacts.html>

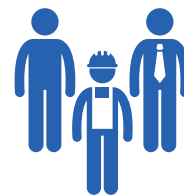


The Challenge

Banks and credit unions are being forced to adjust customer-facing processes along with evolving regulations. When adjustments directly impact how customers have become accustomed to borrowing, companies need to keep changes in consumer preferences in mind in order to maintain a positive relationship.

RCU did just that. Regulatory changes such as the Truth in Lending Act (Regulation Z)² eventually led RCU to require signatures for all loans (closed-end) rather than only for the initial loan (open-end). The credit union needed to find a way back to closed-end lending without inconveniencing members in the transition.

RCU receives upwards of 50,000 loan applications annually and closes about 60 percent. Decision-makers knew that many of their rural and remote customers could not easily visit an RCU branch. Although 58 percent of loans are initiated in branch, the needs of those customers who remotely initiate the other 42 percent needed to be serviced as well. As a result, RCU needed to provide a virtual alternative for those customers who were not accustomed to physically making a trip into a branch.



+140K Members



Wisconsin & Minnesota

² <http://www.fdic.gov/regulations/laws/rules/6500-1360.html>





The Solution

On May 1, 2012, RCU transitioned to closed-end lending and required signatures on all loans. That same day, the credit union started offering members the option to DocuSign transactions initiated in call centers and online. The decision to shift both lending and signing processes on the same day was made for member convenience.

Now with mobile eSignature transactions, RCU instantaneously delivers applications to members rather than requiring members to visit an RCU branch or wait for paperwork to be mailed back and forth. This workflow best suits members and makes it easier for them to do business with RCU.

“Giving our members the opportunity to sign their loan documents without having to stop into an office is very important,” according to Karin Gehrke, Business Process Analyst, Royal Credit Union. “We want to ensure we are fitting our members’ needs instead of making them fit our needs.”

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The Benefits

Previously, loans initiated online or via call center could only be closed in branch or via mail. Forty-two percent of RCU's loans are initiated remotely, and those members wanted the ease of completing the transaction without a visit. When initiating a transaction online or over the phone, it is inconvenient to be told, "To complete this transaction, please visit one of our branches."

A disjointed process not only made the transaction cumbersome for members, it also delayed results. Prior to implementing DocuSign, the need to schedule an in-branch appointment typically added one to two days to the process. Closing loans via mail typically added four days.

Ensuring call center processes are customer-focused with eSignature technology eliminates the hassle and added time. Now, about 30 percent of member loans are closed within one hour, 70 percent are closed within one day and 88 percent are closed within 2 days. Further, simplifying and streamlining the process with eSignatures decreased in-person errors by 97 percent, to near zero.

RCU and its members now have the benefit of eSigned loans – convenient speed to error-free results.

30% Member Loans
Closed
within One Hour

70% Member Loans
Closed
within One Day

88% Member Loans
Closed
within Two Days



About Ombud

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