



# The Peoples Bank: Market Leader Seeking Smarter Solutions

**W**ITH EACH INSTALLATION OF ITS LOAN ADMINISTRATION SYSTEM, MST redefines the term “customization.” BankTect software, the heart of the MST Loan Administration System, was designed to accommodate bank-specific rules and workflows related to tracking and reporting on loan exceptions and deviations. But BankTect is also implemented to address a bank’s specific needs among a wide range of loan administration issues. As such, the capabilities of BankTect are being expanded with each implementation as banks continue to find new applications for this robust, flexible System.

Many banks are driven to implement the MST Loan Administration System by frustration over a growing number of loans with exceptions and deviations. Some have endured catastrophic losses from loans gone bad due to unsecured collateral.

Not so with The Peoples Bank, headquartered in Winder, Ga. Officers there were looking ahead, addressing the potential risk inherent in a rapidly growing loan portfolio. Bank assets had grown more than 10 percent per year over the past five years. And the Bank’s officials anticipate the years ahead will bring even faster-paced growth.

Winder’s surging population – the city just northeast of Atlanta recently earned status as a U.S. metropolitan area – has helped The Peoples Bank build an extensive portfolio of commercial and acquisition and development loans. And it has also brought an onslaught of competition. The Bank is intent on keeping its market leadership status while expanding into new areas. This summer, it will celebrate another landmark event in its 81-year history, the opening of its first branch outside Barrow County, in nearby Athens, Ga.

“As we grow, it becomes increasingly important to have accurate, timely data on our loans, both here and at the branches for our lenders,” explained Vice President of Loan Operations Susan McWhorter.

## Inadequate system

The Bank had been tracking loan documents electronically, but “the software was inflexible and did not provide us with the reports we needed,” offered McWhorter, who has spent most of her 26

years with the Bank overseeing loan operations. “We realized we needed something that was more functional and flexible – in particular, more timely, meaningful information.”

The loan operations staff was issuing monthly exception reports. “But the reports were out of date by the time our lenders got them. And we had to create many of the types of reports we wanted manually.”

To build attorney exception reports, for example, the loan operations staff had to extract data from the tracking software, organize it

into meaningful categories, then re-enter the new data into an Excel spreadsheet. The process took a full day of an employee’s time, “which prohibited us from generating the reports as frequently as we would like,” McWhorter added.

Now BankTect provides exception reports by attorney. A loan processor selects the appropriate attorney from a pre-populated look-up field, then simply enters the attorney file number. BankTect assembles all the pertinent information and delivers the report in real-time – that is, with up-to-the-minute document status.

And on the strength of the success of the attorney exception reports, MST will design a similar report for insurance companies, “which we believe will save us a tremendous amount of time and phone calls,” McWhorter noted.

## Multiple benefits

Key to any bank’s success at reducing risk in its loan portfolio is timely communications on outstanding document exceptions and deviations. The process had



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been particularly time-consuming for McWhorter and her staff. Now BankTect generates exceptions letters automatically, that is, as exceptions appear or even to provide advance notice of impending deadlines. The function has improved the Bank's process, and in turn its customer service, including using one letter to cover multiple exceptions and personalizing letters to any degree desired.

"Because the letters are more accurate and timely, the response to our requests has improved dramatically," she said.

Just a few months after installation, McWhorter can point to an extensive list of benefits from the MST Loan Administration System. "Overall we have seen a significant improvement in the efficiency of our loan operations department," she offered.

She reserves her greatest enthusiasm for how the System has improved the way the Bank and its lenders work together.

"We had a hard time getting information to our lenders in a timely manner. Now with Web-based access, everything they need is at their fingertips."

That helps lenders make and maintain safe and sound loans, and in turn, "supports one of our key initiatives, to enhance accountability and provide meaningful goals for our lenders," McWhorter said.

#### **Why MST?**

While The Peoples Bank studied several products for tracking and reporting exceptions in great detail, McWhorter and her team found only the MST Loan

Administration System was flexible enough to address the full spectrum of their needs – and to do so affordably.

"As we grow, we will be adding more lenders," she offered. "With most software products, we'd have to pay additional licensing fees each time we add a lender. We don't have to plan for that expense now, because MST doesn't charge licensing fees."

With all those benefits to enjoy, The Peoples Bank is just scratching

the surface of potential applications for the MST Loan Administration System. The dynamic nature of the product

and the robustness of the MST support program will serve to uncover more new ways to improve efficiency, accountability and customer service – critical pursuits for a bank trying to hold its market leadership in a burgeoning market with a host of new competitors.

"Our clients see our relationship as a partnership. They're looking to us to understand what they need. We're going to have to deliver increasingly smarter solutions to maintain our leadership here at home and be successful in new markets."

**"...we have seen a significant improvement in the efficiency of our loan operations department."**

#### **Executive Summary**

The Peoples Bank, headquartered in Winder, Ga., is the market leader in its region and growing at a pace of 10 percent per year in asset size. The Bank turned to the MST Loan Administration System to ensure "accurate, timely data" on its loan portfolio, according to Vice President of Loan Operations Susan McWhorter. As the Bank implemented the System, it discovered many additional ways it could help to improve the efficiency of loan operations and deliver smarter solutions to its customers.

Among the customized applications – and their benefits – developed by MST for The Peoples Bank:

- More timely, meaningful reports on loan exceptions and deviations.
- Attorney reports generated efficiently and as needed.
- Electronically generated customer letters for timely communications on loan exceptions and deviations.
- Web-based reports that ensure lenders have timely information on their loans and loan customers.

**To schedule a presentation or for more information, call MST today at 877.910.9789.**



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