

CLIENT SPOTLIGHT

## Bank Iowa: Accelerating Growth with the Lending Cloud Solution



**Company Name**  
Bank Iowa

Bank Iowa, a privately held, \$1.2 billion regional bank, started out as an Agricultural (Ag) lender with deep relationships within the community and earned a reputation for doing things quickly and efficiently. When the bank decided to expand into commercial loans, management wanted to apply the same principles they used in their Ag portfolio across the entire portfolio. Thriving in an industry built on trust, the bank clearly didn't want to mess with success.

"Essentially, we are always looking at doing a better job with customers: correctly analyze the loans, have a good form that we can share with customers, and offer guidance on what they need to work towards," explains John McBride, vice president and regional senior lender at Bank Iowa.

### One Solution for Multiple Regions

One of the bank's key requirements was to have a standardized product in all seven regions where it operates, so that its risk-grading process could identify a specific credit regardless of the region where it originated. At that point, only one region was using the Lending Cloud solution.

Bank Iowa corporate headquarters looked at other solutions, but Lending Cloud had strong internal advocates across the organization, right up to the front lines. Employees who were already using Lending Cloud were convinced of its superior execution and ability to consistently deliver improvements. They didn't hesitate to make a business case for the product.

Committed to its core strengths of service, efficiency, and trust, Bank Iowa decided to stay with Lending Cloud for its entire portfolio of products. "Today it is the platform of choice in all seven regions," says McBride. This consensus in the bank is based on the fact that the solution helps them meet their objectives.

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Vice President and Regional  
Senior Lender,  
Bank Iowa

### Standardizing Risk Grading

“Earlier, we had seven different ways of looking at things. Nothing was standardized or centralized. Consequently, a problem loan was not even on the radar,” notes McBride. Now there is a standardized approach across all regions to assess a customer credit. The bank has constructed its own unique risk grading using inputs. Input from all seven regions is consolidated to create a standardized risk-grading model.

The bank can now customize risk grading for different industries on the commercial side. “We can now easily identify weaker credits and stronger credits. We don’t have surprises anymore,” confirms McBride. A good example of improved operational performance is that Bank Iowa now handles up to \$30 million in credit, as compared to \$10 million to \$12 million in the days before Lending Cloud.

### Faster Decision-Making

A large bank with regional control centers, Bank Iowa now routinely makes decisions quickly. A tiered approval process is in place where senior lenders have up to \$1 million in signing authority and regional centers have up to \$2.5 million. Loans between \$10 million and \$15 million go to the headquarters in Des Moines for a decision. This could potentially cause delays in approval of large loans, but the loan committee with six voting members at the regional level now grants e-approval the same day based on majority vote.

Additional benefits include the ability to track construction inspection for customer loans and e-notifications that further accelerate decisions.

“We are a conservative, growth-driven bank,” observes McBride. “Lending Cloud has definitely helped us keep our core positioning intact.” The bank that built a reputation for speed and efficiency can now put together a large credit very quickly, because many people in the bank are familiar with the Lending Cloud system.

Credit teams can pull an automated credit presentation, score the customer, and make a quick decision. And since the decisions get approved within days, the “time to cash” rate has also decreased. By helping the bank do things faster and making the processes more efficient, Lending Cloud has enhanced employee morale and customer confidence. “It has made us better at our jobs,” confirms McBride.

### Preserving Continuity

One major challenge: efficiency gains have to be sustained across employee turnover, changing business objectives and organization, and volatile market conditions. This requires the software to support error-free, scalable processes that could lay the groundwork for incremental improvement as well as a step change.

Lending Cloud helped achieve this because its implementation didn’t require any internal alignment, even as the bank was on a steady growth path. And Lending Cloud integrates seamlessly with the bank’s core systems.

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By helping Bank Iowa maintain continuity, Lending Cloud made it very easy to extend these efficiencies. "It has become very easy to maintain continuity as things change. Just strip the stats, add new ones, and you are ready to go," says McBride. The configurability of the system has meant that even non-technical people can go to the backroom, change the templates, and understand the whole process.

### A Solution for Growth

Lending Cloud's exceptional usability has been further enhanced by the bank's investment in training. Replenishing its pool of talent is no longer a worry. The bank's long association with the solution means that many employees have built expertise on Lending Cloud – and stand ready to transfer their knowledge to new colleagues.

But for Bank Iowa, targeting quality growth involved more than just replacing the software. "We are now capable of lending in a relatively positive manner," explains McBride. What has definitely helped reinforce the benefits is Bank Iowa's status as a leading regional bank with lots of stability and a solid customer base.

"I don't think we would have been able to support our growth strategy without a product like Lending Cloud – even with the size of our portfolio," concludes McBride.

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