



American AgCredit Case Study

Asset Size: \$13.5 billion as of June 30, 2020

Headquartered: Santa Rosa, CA



About American AgCredit

- Headquarters: Santa Rosa, CA
- Asset size: \$13.5 billion (as of June 30, 2020)
- 32 branch offices covering Hawaii, Nevada, and parts of California, Colorado, Kansas, New Mexico and Oklahoma.
- Member of the U.S. Farm Credit System

The Challenge

American AgCredit sought an end-to-end loan operating system that would:

- Meet the unique requirements and regulations of the Farm Credit System;
- Support a large, multi-state operating territory;
- Eliminate duplicative data entry and reduce the number of systems used by staff;
- Integrate fully with existing systems and processes;
- Reduce time to approval;
- Improve data and document storage;
- Increase workflow efficiency;
- Scale to meet all current and future needs of a growing enterprise;
- Enable the capture and use of data in an effective and efficient manner; and
- Provide customers with a way to interact digitally through an online portal.

The Solution

American AgCredit implemented the nCino Bank Operating System® in its financing function, enabling the cooperative to achieve significant time savings, improved workflows and transparency via an intuitive, user-friendly platform.

The Results

The deployment of the nCino Bank Operating System in American AgCredit's Retail Channel enabled success by:

- Supporting 37% year over year growth in new business;
- Enabling a 22% growth in transaction counts year over year;
- Dramatically increasing the percentage of same day "conditional yes" approvals from 23% to 71%;
- Providing greater document management and collateral tracking capabilities; and
- Fostering a culture of collaboration.

Overview

American AgCredit's mission is to "Be the Best Lender to Agriculture." With a multi-state service territory stretching from Hawaii to Kansas, the customer-owned cooperative is well on its way to achieving this lofty goal.

American AgCredit was founded in 1916, the same year as the U.S. Farm Credit System, of which it is a proud member. Today, the cooperative serves a diverse clientele of farmers, ranchers and rural customers across its network of 32 branches. American AgCredit offers loans, lines of credit, leasing and crop insurance products and also serves capital market customers in all 50 states.

Challenge

Between 2015 and 2019, American AgCredit's loan portfolio grew from \$6.5 billion to \$11 billion, reflecting a significant increase in transaction volume. Yet, the agricultural lender's prior loan origination system struggled to keep up.

"Our loan origination system at the time was really just a data entry platform," says Dustin DeBusk, Head of Credit Management at American AgCredit. "It was not very intuitive, which resulted in a lot of difficulty with entering information. It didn't integrate well with our other platforms, and we saw it would hinder our ability to expand and grow in the future.

"We almost doubled in size, the number of transactions went through the roof and it was just a huge pain point for our staff to process loans in a timely manner using our current system. We needed a platform that was scalable and flexible enough to meet our needs at \$13 billion in assets, all the way up to when we get to \$25 billion and beyond."

With a large, geographically dispersed branch footprint, American AgCredit also needed a solution that could handle the special challenges of a decentralized lending operation.

"Since our prior loan origination solution was primarily a data entry platform, it didn't drive the consistency we needed across our decentralized network of locations," DeBusk says. "That opened the door to employees doing things differently in different locations; for instance, our people in northern California would process a loan differently than those in central Kansas."

In addition, American AgCredit sought a solution that could meet the specialized regulations and customer needs unique to agricultural lending.

"Most loan origination systems on the market today can't be configured to meet the needs of the Farm Credit System," DeBusk says. "Without being able to configure the solution to meet our reporting needs and our process requirements, it really limited our ability to utilize these other systems to their full capabilities."

"The Farm Credit System is different. We work under different regulations, requirements and reporting needs and most loan origination systems out there today really are designed to meet the needs of the typical commercial bank."

- Dustin DeBusk, Head of Credit Management, American AgCredit

Journey

Recognizing that their current loan origination system wasn't capable of supporting American AgCredit's rapid growth in portfolio size and transaction volume, the leadership team began searching for a new solution. Fortunately, they didn't have to look very far.

Peer lenders in the Farm Credit System suggested that nCino would be a perfect fit for American AgCredit's needs. They also said that nCino uses the Agile development model to enhance the solution's capabilities through regular releases and updates, which appealed to the cooperative since it would give them access to continuous innovation and enhancements. DeBusk realized they needed to take a close look at nCino.

"The more we got into the platform," DeBusk says, "and learned about nCino's development roadmap for the next few years, it was an easy choice to say, 'This is the partner we need to help our organization get where we want to go.' The capabilities nCino offered us were so far and above the capabilities we had within our prior loan origination system, it was just obviously the right decision."

American AgCredit decided to implement nCino initially in its Retail business lending operation, which serves customers with up to \$750,000 in total borrowings. The lender went

live on nCino in December 2019. Overall, implementation was a success.

"There were challenges because of some over design decisions we made at the time," DeBusk says. "But we were able to implement auto decisioning trees in line with our risk appetite, built right within the system. When we were done, I thought, 'I'm so glad we went with the platform we did.'"

Jason Lawrence, Head of Solutions Delivery at American AgCredit, had experience on the nCino Bank Operating System at a prior organization.

"It is so important to have a partner that listens to your pain points, to your challenges, and works with you iteratively on developing potential solutions," says Lawrence. "nCino demonstrates they're listening by the way they incorporate that feedback into their roadmap, and very quickly progresses to fill those needs."

"I don't know that I've ever worked with a vendor that I felt was a true partner as much as I do with nCino."

- Jason Lawrence, Head of Solutions Delivery at American AgCredit

"nCino has made it part of their roadmap to work with Farm Credit System institutions," DeBusk says. "The Farm Credit System has typically been an afterthought to vendors, but we do hold significant volume in the marketplace. nCino realized that and has put in the time and effort to try to understand our unique needs and challenges and then figure out how to solve those challenges. It is a true partnership with them."

"I don't feel like American AgCredit, or the Farm Credit System, is just another customer to nCino. We feel like they are committed to our success. They want us to be successful and want to work with us as much as possible to make sure we are."

- Dustin DeBusk, Head of Credit Management, American AgCredit

Solution


To support American AgCredit's phenomenal growth and expansion across a large geographic territory, the nCino Bank Operating System provides an end-to-end digital solution that combines industry-leading functionality, flexible configurability and an intuitive and user-friendly interface built on the stable and proven Salesforce platform. nCino offers:

- **Flexible configuration:** Due to the Farm Credit System's stringent regulatory requirements and unique borrower attributes, the technology should offer more than simple customization. nCino offers a solution that can be quickly and easily configured to address any institution's specific needs.
- **Faster decisions:** nCino's configurable workflow and tracking tools reduce operational bottlenecks and minimize loan cycle times. This generally results in quicker, more accurate loan decisions and the ability to support a higher volume of applications.
- **Collateral and risk management:** With native tools like Collateral Management and Risk Rating, American AgCredit can monitor individual borrower relationships for collateral compliance and changes in financial conditions over time.
- **A scalable solution:** The nCino Bank Operating System is designed to grow with an institution. As American AgCredit expands its loan portfolio over time, nCino can continue to add value and efficiency along the way.
- **Covenant tracking:** nCino's Bank Operating System provides the means to add, delete and manage loan covenants during the approval process and throughout the life of the loan. Financial institutions can easily create covenants for use in monitoring the borrower's or guarantor's soundness and capacity to support the credit provided.
- **Deep data insights:** nCino empowers American AgCredit to manage risk across its entire loan portfolio, segmented by geography, customer type, loan size and other attributes. With real-time trend and volume reports available at the click of a button, management can track the loan pipeline and critical service metrics like time to approval and time to close, on demand.
- **A transparent, global view of the customer:** nCino's ability to integrate with core systems provides internal users with a comprehensive view of the client relationship, available anywhere and anytime.
- **Integration excellence:** The nCino Bank Operating System supports numerous industry-leading integration partners, including solutions for electronic signatures, credit bureaus and document preparation.

- **Security and stability:** nCino utilizes the Salesforce.com cloud architecture and data centers, one of the most advanced data infrastructure platforms in the world. The platform includes SOC 2 Type 1, 2 and 3 compliance reporting.


Results

American AgCredit implemented the nCino Bank Operating System in its Retail business lending operations in December 2019. Since then, it has realized the following results:


 **A system built to scale:** American AgCredit sought a single end-to-end platform that could address the changing needs of a growing institution over time, and serve a diverse customer base from the small rancher applying for a tractor loan to large corporations in need of capital finance, without a complete overhaul.

"nCino obviously provides that," says DeBusk. "When you start working on the platform and seeing all the capabilities nCino offers, you know that it is a solution that will continue to meet our needs now and in the future, as we grow."



 **Enhanced consistency and efficiency in operations:** With the nCino Bank Operating System, American AgCredit was able to significantly decrease the amount of redundant, duplicate data entry — speeding up the loan process, reducing errors and breaking down geographic barriers.

"Employees have benefited from the direct tie to Salesforce and intuitive build of nCino," DeBusk says. "Since we utilize Salesforce as our customer relationship management system and nCino is built on the Salesforce platform, it has reduced duplicate entry into numerous systems throughout the loan origination process, giving team members more time to focus on the moments that matter with the customer. Our customers have benefited from quicker decisions."

 **Faster loan decisions:** One of the most important metrics to borrowers is how quickly they receive approval on their loan. Greater efficiency in operations generally leads to faster loan decisions and happier customers.

**With nCino, American AgCredit's
Retail Channel has seen a
dramatic reduction in approval times,**

as exemplified by its improvement
in percentage of same day
"conditional yes" approvals from

23% to 71%




"Our measurements are going from approvals in days to approvals in hours, to what we hope will become approval in minutes over the next year with nCino," says Jason Lawrence. "That's the type of transformational change we're really striving for overall."

In addition, upon deploying nCino's SBA Solution and Paycheck Protection Program (PPP) Workflow to accept customers' PPP loan applications in the Spring of 2020, American AgCredit received "incredibly positive feedback from customers on our fast turnaround times from application to funding, and the good communication we provided compared to other banks they tried to work with unsuccessfully."

"The speed at which we were able to deploy nCino, become efficient, and provide an excellent customer experience was incredible. We are now taking lessons learned from PPP and applying them to other areas of our business to execute with greater speed and agility."


- **Dustin DeBusk, Head of Credit Management, American AgCredit**

 **Better document tracking and collateral management:** nCino's patented Document Manager (DocMan) is a configurable, integrated and secure content management system, which incorporates an institution's policies, processes and document requirements. Access to documents is permission-based, so users can access what they need when they need it through one central location. Document Manager eliminates the need for paper files and allows financial institutions to achieve a 100% electronic loan file process.


"Above and beyond what the nCino platform offers us from the auto decisioning and collateral analysis standpoints," DeBusk says, "the DocMan functionality has allowed us to eliminate, for the retail channel, the electronic content management tool we were previously using."

"Overall, we're so happy with the decision that we made and what the nCino platform is offering us today in our Retail channel."

- **Dustin DeBusk, Head of Credit Management, American AgCredit**

 **Fostering a culture of collaboration:** The nCino Bank Operating System is helping America AgCredit's people work together more effectively and efficiently, through greater transparency and integration.

"With nCino, we get single data entry and data on demand," Lawrence says. "Since time is the most precious commodity we have, and our people are our greatest asset, we want to provide them with the best tools possible."

 **Improved customer service:** The nCino Bank Operating System supports American AgCredit's focus on serving its agricultural customers through transparency, enhanced data insights and greater efficiency.

"As most institutions are, we're realizing data is probably going to be foundational for us going forward — not only to help us grow but to help us serve our customers better," DeBusk says.

Sowing the Seeds of a Future with nCino

American AgCredit plans next to implement nCino in its Commercial and Capital Markets operations, with the goal of going live by early 2021. “We’re going to transition the other 90% of our business by volume onto the nCino platform,” DeBusk says. “We believe the adoption of nCino within our Commercial and Capital Markets operation will allow us to further streamline our processes and increase efficiency, just through the collateral record capabilities, the utilization of DocMan and the smart checklist.

“When I look at what we will get from the Commercial and Capital Markets release, we anticipate about two to three hours of savings easily, from just working in one system and reducing some of the workarounds and wasted time and inefficiencies that our current loan origination system causes today.”

American AgCredit is also working toward deploying nCino’s Customer Portal through a mobile app, allowing customers to apply for a loan anytime and anywhere— even while working on the farm.

“In the future, we envision an existing customer working on their tractor, opening up their mobile app, and applying for a new loan in less than five minutes,” Lawrence says. “They make a few taps, tell us what they want and receive conditional approval, without ever even talking to someone.”

“Everything we do is rooted in our Win 3 strategy,” DeBusk says. “We want to provide solutions that are a win for the customers, a win for our employees and a win for our owners. We are highly focused on improving our customer experience through speed and ease and delivering value-added expertise that helps our customers meet their goals, become more profitable and better manage risk.

“nCino is a foundational component of that value delivery model.”

Now, that’s a vision worth cultivating.