

“ We needed a platform that could handle all of our businesses and didn’t cost \$1.5 million.”

CASE STUDY

Company

American Home Bank

- Type: Mid-sized bank
- Size: 300+ employees
- Annual Loan Volume: \$1 billion+
- Location: Lancaster, PA

Challenge

- Move 15 subsidiary mortgage companies to one banking platform
- Accommodate the demands of retail, wholesale and builder channels
- Lower costs and support new business development
- Find a system affordable for a mid-sized bank

Solution

Ellie Mae’s Encompass® Banker Edition

- Fits American Home’s multi-channel business model
- Reduced costs 25–30% in first six months
- Supports loan officer sales and customer retention

This Year, American Home Bank in Lancaster, PA—a company executives like to think of as a seven-year-old start-up—will originate more than \$1 billion in mortgages through several subsidiary mortgage companies and three channels: wholesale, retail and builders.

The problem with such diversity and growth? Finding a banking system that could support it.

“What American Home needed,” said A.R. Smith, president of American Home Bank, “was a system that we could customize to fit our needs and at the same time drive both efficiency and new business.”

Not only that, American Home needed a single platform to support all of their businesses—their conventional loan business and also their construction-to-permanent mortgage business, which makes up nearly one third of the company’s volume. To complicate matters further, they needed to stay in a moderate price range.

“We found that large state-of-the art banking systems could fit the bill, but they came with a hefty price tag: \$1.5 million or more. That’s a pretty big investment for a mid-sized bank like ours,” Smith says. “The smaller systems were good for different niches but we couldn’t find one that would work enterprise-wide from point of sale through loan origination and closing.”

American Home found the answer to their problem in Encompass Banker Edition, a single platform solution that the company deployed in January 2008.

The Efficiency of a Single Solution

Before moving to Encompass Banker Edition, American Home was losing valuable time and money transferring loan data from the system their originators used to the one used by their underwriters and processors.

“The data never came over perfectly; lots of times data was missing,” Smith recalls. “We’d literally have to review every new loan to make sure all the inputs were correct and all the necessary data was there. It was a very cumbersome, time-consuming job—and that job doesn’t exist anymore.”



“From where we were a year ago, we have a 25 to 30% pick-up in cost savings.”

Now, the entire loan team can work in a single system, with data flowing seamlessly from one stage to the next. If data changes, the entire file is updated automatically.

The company also saves time by completing service orders in the software via the integrated Encompass network of third-party service providers.

American Home's loan officers are even using Encompass personalized websites for marketing and relationship management.

“Our loan officers are pretty happy with them,” she said. “And the loans and leads they bring in go right into Encompass.”

Getting the company aligned on a single platform has freed up the time to pursue new initiatives.

“We're in the process of implementing new business rules that will improve quality assurance,” Smith says, “and we have an accounting project in the works that will give us greater insight into loan level profitability.”

“Encompass has driven a lot of efficiencies for us,” Smith says. “From where we were a year ago, we have a 25 to 30% pick-up in cost savings.”

About Ellie Mae, Inc.

Ellie Mae provides enterprise mortgage origination technology solutions for mortgage bankers, mortgage brokers, community banks, credit unions and other mortgage lenders. The company's offerings include the Encompass[®] and Encompass360[™] Mortgage Management Solutions, Encompass CenterWise[™] websites and electronic document management services, Encompass Closer[™] document preparation services and the Encompass Compliance Service. Ellie Mae also hosts the Ellie Mae Network[™] that allows mortgage professionals to conduct electronic business transactions with the lenders and settlement service providers they work with to process and fund loans. Ellie Mae was founded in 1997 and is based in Pleasanton, California. To learn more about Ellie Mae, visit www.EllieMae.com or call 877.355.4362.



4155 Hopyard Road, Suite 200
Pleasanton, CA 94588

www.elliemae.com

Originally published January 2009.

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