

# Dodd-Frank Compliance

## How Document Automation Liberates the Commercial Lender



New regulations under Dodd-Frank may cost banks at least \$22B to meet new compliance requirements. Document automation and assembly software can save your budget and sanity.

Document automation offers institutions the ability to efficiently respond to the regulatory changes imposed by legislation like Dodd-Frank, while drastically improving the speed and accuracy of their loan origination process and reducing overall compliance risk.

Most institutions already spend large sums of money on compliance. New regulations under Dodd-Frank could cost banks at least \$22B to meet new compliance requirements, according to a 2011 Bloomberg Government report. In addition, a 2011 ABA survey reports that more than 90% of compliance officers expect higher compliance costs as a result of Dodd-Frank regulations, and more than 50% anticipate increases in legal and consulting fees.

### Document Automation and Assembly Software Allows Banks To:

Increase the speed and efficiency of loan origination & processing

Ensure complete regulatory compliance across all users and business units through document standardization

Reduce costs associated with document creation and updates

## HotDocs Improves the Speed and Accuracy of Your Loan Documentation Process

Document automation drastically improves the speed and reduces the costs of loan origination by ensuring document standardization and eliminating manual review.

***"It used to take 2-3 days on average to produce a short-term commercial loan, but with HotDocs, we can now generate one within a day, sometimes even within a matter of minutes."***

*-David Brown, Vice President of Credit Services, Western AgCredit*

**Streamline the loan origination process.** Document automation makes it easy to capture client information and process deals quickly, without the tedious and costly process of manual data entry and review. Commercial lenders need to increase the speed and efficiency of their loan origination process--from application, through loan approval, to documentation and settlement. A process which previously took days can now be handled in hours, thanks to HotDocs. The results speak for themselves: lower risk, lower costs, and a more efficient sales process.

### **Eliminate the need for manual**

**reviews of every document.** Since all documents are created using approved, standardized templates, there is no need for manual reviews of every loan document. Through a simple on-screen Q&A, loan originators are able to capture the

right information the first time, every time. Standardized, consistent documents are generated automatically, and system-wide changes can be implemented instantly.

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*"Many of [our] transactions require up to 30 different documents. We can now produce a set of documents for a client in under 30 minutes."*

*-Kelli Kane, Ballard Spahr*

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**Integrate seamlessly with existing workflow.** HotDocs can be integrated into proprietary workflow systems, document management systems, custom databases, and off-the-shelf content programs, including BizTalk, Finacle, FileNet, and PowerLender. Non-technical staff can easily create templates with minimal training, reducing the time needed for implementation. HotDocs also reduces training time through the use of enterprise-standard software—it is designed to work directly within Microsoft® Office® Word or Corel® WordPerfect®.

**Save time on template maintenance.** HotDocs allows for the creation of dynamic templates with sophisticated, built-in logic. These templates can be modified by legal and compliance experts as needed, according to new regulations. When one template is changed, all linked templates are updated instantly, saving maintenance time on large document libraries.

## HotDocs Reduces Compliance Risk Through Document Standardization

Document automation helps banks improve compliance and lower regulatory risk through automatic standardization of all documents created in the system. Banks no longer have to worry about outdated or non-standard language in their loan documentation.

**Lower the costs of compliance and standardization.** The creation and distribution of standardized, compliant documents can cost many hours of compliance and legal work, as well as significant system resources. Document automation reduces the cost of compliance and standardization by assembling core documentation that can be customized for each business unit or individual customer. Legal and compliance experts can easily and efficiently maintain large libraries of templates and documents, while ensuring that up-to-date information is available in every document created. Updates to document templates can propagate across the system instantly, making responding to regulatory changes simple.

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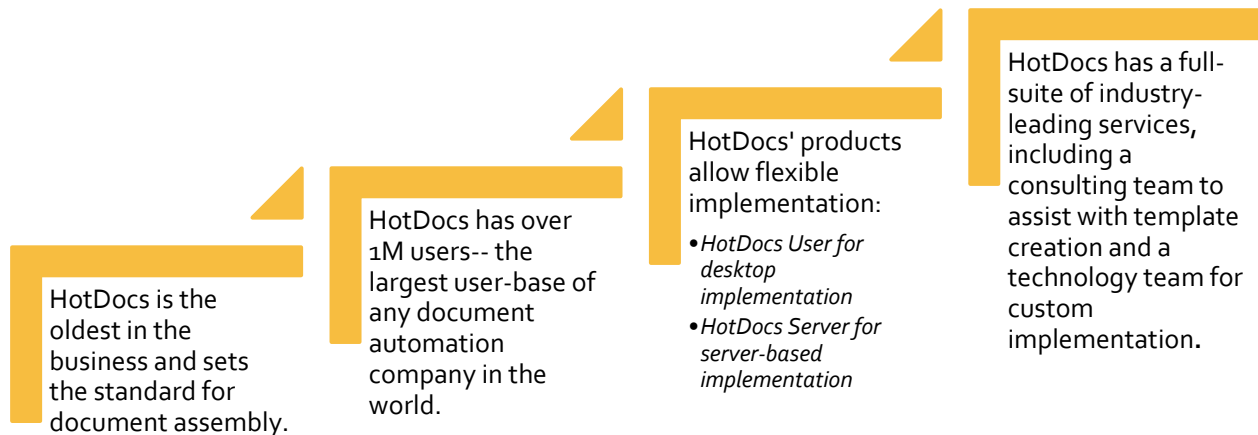
“As the complexity of regulations within the financial industry continues to rise, *standardization* is becoming ever more important. HotDocs has become our communication medium. We ensure that all changes in regulations or procedures are immediately written into HotDocs. That provides an enormous amount of security for us. Our loan officers don't have to worry about new updates. HotDocs simply leads them through the process.” -David Brown, Vice President of Credit Services, Western AgCredit

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**Ensure that standardized documents are created by all users.** Compliance officers can ensure that users across all business units are only using approved document templates to create each new set of loan documents. Final documents can be exported into standard word processing formats, or locked down and exported into .pdf format only, ensuring that no unauthorized changes are made by users. Template creators can also use conditional logic to drive specific changes to document language for geographic location, special statutes, and other customer-specific needs.

**Quickly respond to changing regulations.** Early information about Section 1071 of the Dodd-Frank Act suggests that banks will have to implement new data collection and siloing requirements as soon as they are approved. Through the use of a document assembly system like HotDocs, compliance personnel will be able to quickly respond to new data collection requirements by updating templates and creating new custom interviews. Part of the new Section 1071 regulations addresses data retention and availability. All HotDocs solutions can be integrated with external databases, making it simple to automate regulatory reporting.

## Why You Should Choose HotDocs



Dodd-Frank will greatly increase the burden and expense of regulatory compliance. An early report by the Financial Services Roundtable suggests that complying with just 3 of the expected 500+ Dodd-Frank regulations will result in significant expenses for banks.

***"The industry will need to spend 2,249,884 hours to comply with regulations. The estimated annual cost for the industry in the second year of these regulations and beyond is 759,604 hours. If we estimate that these employees earn \$75,000 annually, this will impose an industry-wide annual cost of \$84,375,000."*** -Abby McCloskey, Director of Research, Financial Services Roundtable

Rather than wait for the final regulations outlined in Dodd-Frank to be hammered out, banks are well advised to begin incorporating these new regulations into their data analysis and fair lending programs as soon as possible.

**"It's in each bank's interest to start the planning process early. We know what's coming (at least the big-picture items), and because we don't know whether the implementation period will be long or short, better to start now."** -Carl G. Pry, CRCM, ABA Bank Compliance Advisory Board

[Contact the HotDocs team](#) to find out how document automation can increase the speed of your loan origination process, improve the accuracy of your documents, and reduce your firm's compliance risk and liability.

## What Our Banking Clients Say About HotDocs

**American AgCredit** used HotDocs to upgrade its ageing document production platform. AgCredit has now been using HotDocs for over 5 years and has noted many significant benefits. Paula Olufs, Vice President of Loan Documentation says, *"The software is very easy to understand from a programming perspective, so we have the ability to modify our templates internally. The granular control we have allows us to react immediately to regulatory and process changes requested by our legal department."*

Moreover, as several variations of the same document were consolidated into a single HotDocs template, maintenance has been greatly simplified. Olufs provides an example: *"We previously supported up to 8 different notes, whereas now we support just one note template and let HotDocs determine which variant to produce based on user input during the interview."*

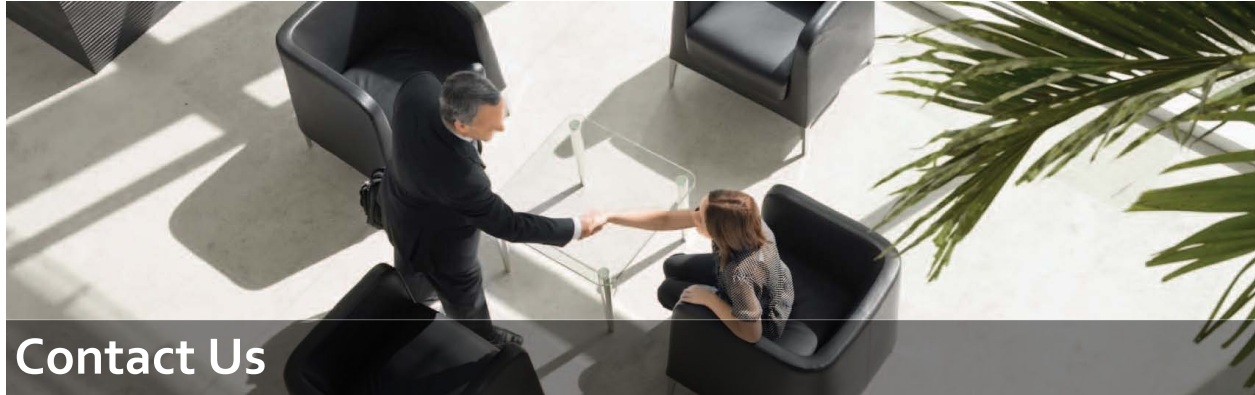
**The Royal Bank of Scotland's** Corporate Credit Department (CCD) had a requirement to integrate HotDocs into their PCDocs document management system. The CCD department produces thousands of documents for several hundred users throughout Edinburgh, Manchester, and London.

*"We're processing in excess of 350,000 security and loan documents every year. HotDocs makes the process fast, flexible and efficient, providing us with a readily maintained system,"* says the Head of Credit Documentation.

## HotDocs is the Document Generation Standard

HotDocs is the recognized global leader in document automation and assembly technology, with over 1 million users worldwide – including 80% of the Am Law 200, 20% of the Fortune 500, and enterprises and agencies of all sizes. It has also won virtually every industry award – including the Law Office Computing Reader's Choice Award for Document Assembly and the TechnoLawyer Reader's Choice Award for Document Assembly and Automation.

Four of the top five banks in the U.S. (as well as other global retail banks, regional banks, and local credit unions) trust the power and flexibility of HotDocs for their complex document automation needs. In the highly competitive banking industry, you are expected to deliver fast, efficient services to meet client demands, all the while ensuring the generation of accurate and compliant documents. Streamlining your current document generation process with HotDocs can save you valuable time and money.



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