

# Farmers State Bank of Hartland

## Financial Services

Farmers State Bank Uses YouSendIt to Securely Receive and Transmit Customer Loan Documents



### Farmers State Bank

#### COMPANY DESCRIPTION

Farmers State Bank of Hartland, Minnesota, is a community financial services institution with \$75 million in assets, 20 employees and three branch offices. It works with other participating banks to combine funds to provide loans to customers.

#### THE PROBLEM

- E-mail wasn't secure enough to transmit scanned documents containing customers' private data
- Packaging and shipping of paper loan documents to customers and participating banks was too expensive and time-consuming.
- Dropping off and picking up loan documents made the loan processes much longer than they needed to be
- Typical electronic file-delivery methods offered no branding capabilities

#### THE SOLUTION

##### YouSendIt Corporate Suite

When Corporate Suite was deployed to seven principal users to replace risky e-mail delivery and expensive courier services, it improved efficiency, reduced costs and enabled the bank to leverage its brand.



### Situation and Challenges

Farmers State Bank of Hartland, Minnesota, is a community financial services institution with \$75 million in assets, 20 employees and three branch offices. One of fewer than 8,000 small community banks in the United States, Farmers State Bank is technologically more advanced than many of its peers but must work with participating banks to meet the needs of many customers. The bank is limited by regulation to loaning no more than \$1 million per customer. Many customers, however, need to borrow greater amounts. So Farmers State Bank partners with other banks that have similar limits to collectively share in the lending function.

When applying for a loan, customers must provide Farmers State a number of documents that can add up to hundreds of pages including tax returns, financial statements, loan papers and other private information. Farmers State then shares these documents with its participating partners—often half a dozen other banks, each of which must qualify the customer for its share of the loan.

Previously, Farmers State would copy all the paper documents—as many as 2,000 sheets per loan—and assemble a courier-service box with copies to be sent to each participating institution. This procedure became very time consuming—especially the production of copies—and each package could cost as much as \$10 to send to each bank.

To cut costs, Farmers State began scanning and e-mailing these documents, creating a Zip file and adding a bank-specific password to the files. But Chief Information Officer Mark Heinemann realized that e-mail was not secure enough for transmitting sensitive customer data.

"Banks are covered by the Bank Secrecy Act and other privacy laws, so we are mandated to secure our customers' sensitive financial information," Heinemann explained. "Even the release of a customer's name and address could allow someone to pull a credit report, so we have to be extremely careful in handling their personal data. Ninety percent of people still don't realize that e-mail is not secure. We even discouraged our customers from sending their tax returns to us via email."



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“YouSendIt has helped ensure that we can get fast, secure delivery of our customers’ information in a more reliable easy-to-use fashion. The bank can now streamline the entire loan process which has led to improved customer satisfaction and cost savings.”

— Mark Heinemann  
Chief Information Officer  
Farmers State Bank of Hartland

### YouSendIt, Inc.

1919 S.Bascom Ave., 3rd Floor  
Campbell, CA 95008  
866.55U.SEND  
sales@yousendit.com  
www.yousendit.com



### Solution

To gain the security the bank needed, Heinemann began examining online file-delivery services. One application, ZixMail, would have required every individual receiving a message to have a password, and the service was relatively expensive. He looked at several other solutions, but none of them measured up to YouSendIt.

Heinemann purchased YouSendIt’s Corporate Suite and installed it on seven desktops within the bank, along with the YouSendIt Microsoft Outlook plug-in. The plug-in allowed personnel to send documents right from their Outlook e-mail application, using the secure pathway provided by YouSendIt. The bank also took advantage of the YouSendIt Dropbox. The Dropbox provided a convenient way for clients to deliver files to the bank. Users simply click on a link, upload their file(s) and a message is automatically delivered to the loan officer.

### Why YouSendIt?

The primary benefit Heinemann found with YouSendIt was its ease of use and secure, reliable delivery. “YouSendIt is very secure and has exceptional usability for that level of security,” he noted. “Now we have customers and other banks send documents to us without concern of data being disclosed. In some cases customers scan the information and drop it in the Dropbox, which has been good for building customer service relationships. They no longer have to e-mail tax returns or deliver paper copies.” YouSendIt was perfect for Farmers State Bank for a number of reasons:

- YouSendIt provided a secure method for sending and receiving files and documents to and from customers and other banks
- Ability to deploy the solution to multiple users within the company
- Extension of the bank’s brand to all customers and financial partner communications
- Cost effective solution that reduced overall courier expenses
- Easy to use and more convenient for Farmer’s customers

### Results

- **Enhanced security:** YouSendIt encrypts all files during the delivery and downloading process and while the files reside on YouSendIt’s servers. The security problems inherent in e-mail, which is routed in many directions before reaching its destination, are avoided. The sender also gets an electronic receipt to confirm delivery and can track files.
- **Improved efficiency:** Since the copying of thousands of pages and the packaging of paper documents no longer are necessary, the bank’s response time has shortened considerably. “Being able to respond more quickly makes the next deal a little easier, because the customer and partner banks are more comfortable with us.”
- **Reduced costs:** The bank has largely eliminated the costs of courier services, along with the personnel costs and material costs involved in the copying of application and loan documents.
- **Improved accuracy:** When exchanging paper documents, often customers do not include certain information. When an error was discovered by the participating bank, the missing information or documents would have to be delivered separately. With electronic delivery, banks can get any missing information in the same day and can arrange for immediate delivery of the necessary documentation via YouSendIt.