

Breakout VI: Modernize Commercial Lending to Stay Competitive

Joe Ehrhardt
Teslar Software

MODERNIZING COMMERCIAL LENDING

Staying Competitive & Thinking Outside the Box



Presented by

Joe Ehrhardt

CEO and Founder, Teslar Software

WELCOME!



Joe Ehrhardt

CEO and Founder of **TESLAR**
SOFTWARE

In Banking for 23 Years

Computer Engineering, Security to Lending
to Efficiencies, and now FinTech Founder

ON THE AGENDA



WHO IS TESLAR SOFTWARE?

Teslar's experience in the commercial lending space



CHANGE: IT DOES NOT STOP

Forget technology, the lending environment alone is changing at an amazing pace



THE OBVIOUS

What you should already be working on or starting on for commercial lending



OUTSIDE THE BOX

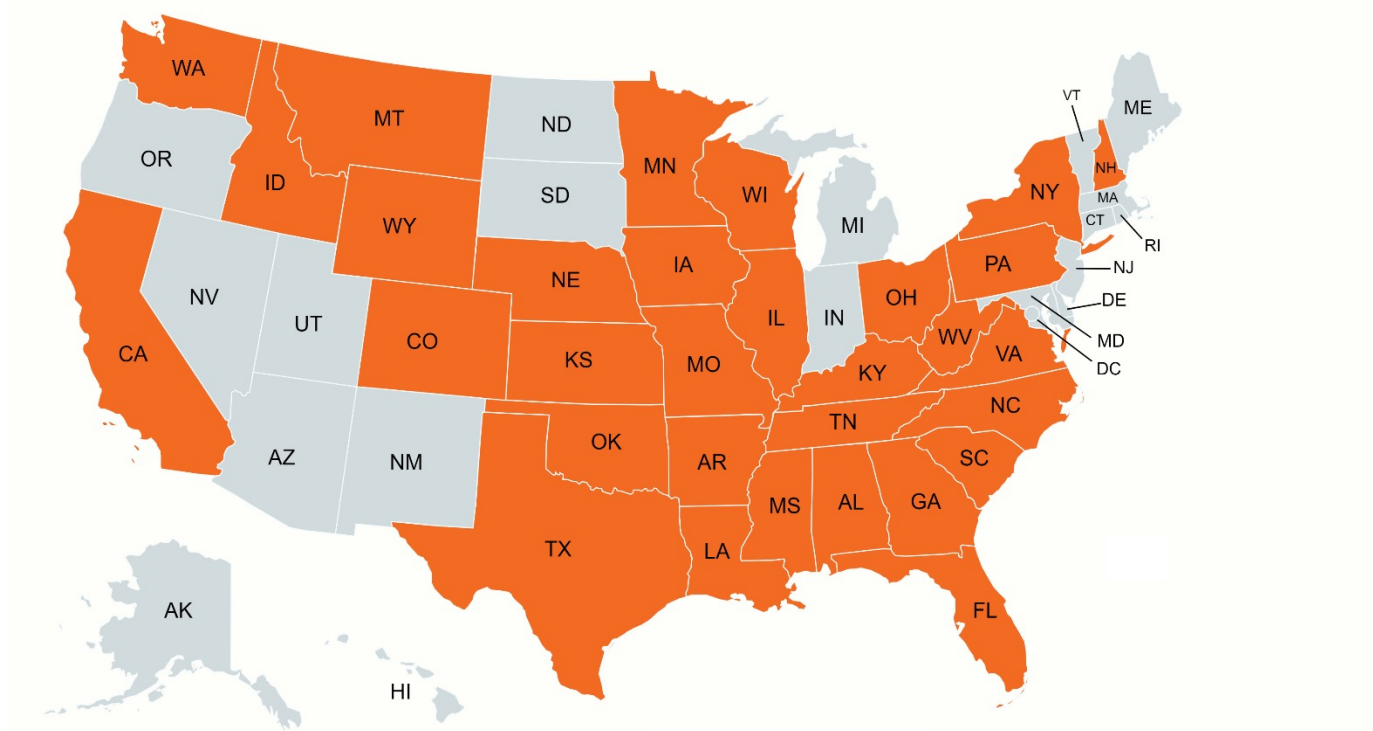
How to be different and get ahead in these times of change

WHO IS TESLAR SOFTWARE?

OUR EXPERIENCE IN THE COMMERCIAL LENDING SPACE

OUR CLIENTS

REPRESENTATION IN 31 STATES AND COUNTING



AWARD WINNING SOLUTIONS

TESLAR SOFTWARE'S ACCOLADES



2019

ICBA ThinkTECH Showcase

BANKER'S CHOICE: MOST IMPACTFUL SOLUTION



2020

Finovate Awards

BEST FINTECH PARTNERSHIP



2021, 2022

American Banker

BEST PLACES TO WORK IN FINTECH



2022

Bank Director Best Of FinXTech

TOP LENDING PLATFORM/AUTOMATION TECHNOLOGY



2019-2022

ICBA

PREFERRED SERVICE PROVIDER



2021

Best of FinXTech Awards

BEST SOLUTION FOR LENDING



2021 - 2023

Forbes Finance Council

OFFICIAL MEMBER



FINALIST

2023

Arkansas Business of the Year

FINALIST: INNOVATION PACESETTER

OUR WORK DURING PPP

HELPING SMALL BUSINESSES PERSEVERE

- Teslar powered over 20% of Paycheck Protection Program loans issued in 2021
- Five of the SBA's 15 Top PPP Lenders utilized Teslar Software to process their PPP loans
- \$22 billion of funding for small businesses across the country
- 1.3 million PPP loans in 2021 powered by Teslar Software
- SBA approval of 80 loans per minute during peak times
- Built PPP.Bank in partnership with Mark Cuban & Jill Castilla

Forbes

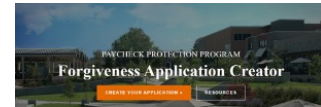
EDITORS' PICK | 13,366 views | Jun 2, 2020, 08:00am EDT

'Banks Let The Past Hold Back Their Future': Mark Cuban On The Launch Of PPP.Bank



Ron Shevlin Senior Contributor @

Forbes
Observations from the FinTech Shark Tank



PPP.BANK is a new, secure platform for small businesses, nonprofits, and solo proprietors across the United States who received Paycheck Protection Program (PPP) loan advance from approved lenders. The website automates the 15-page forgiveness application and results in a PDF that can be provided to the lender.

PPP.BANK is committed to your data collection. This website is a free tool intended to ease the forgiveness process with your bank. The U.S. Small Business Administration (SBA) and the U.S. Department of the Treasury did not develop or endorse this website. Your bank may request a copy of this application for the appropriate channels to be granted forgiveness. Accuracy is dependent upon the information provided, and we warrant no 100% full application to the appropriate channels to be granted forgiveness.

BROUGHT TO YOU BY

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SOFTWARE

Citizens

TLD
Registry Services, LLC

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Teslar Software



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Community Bank Solutions



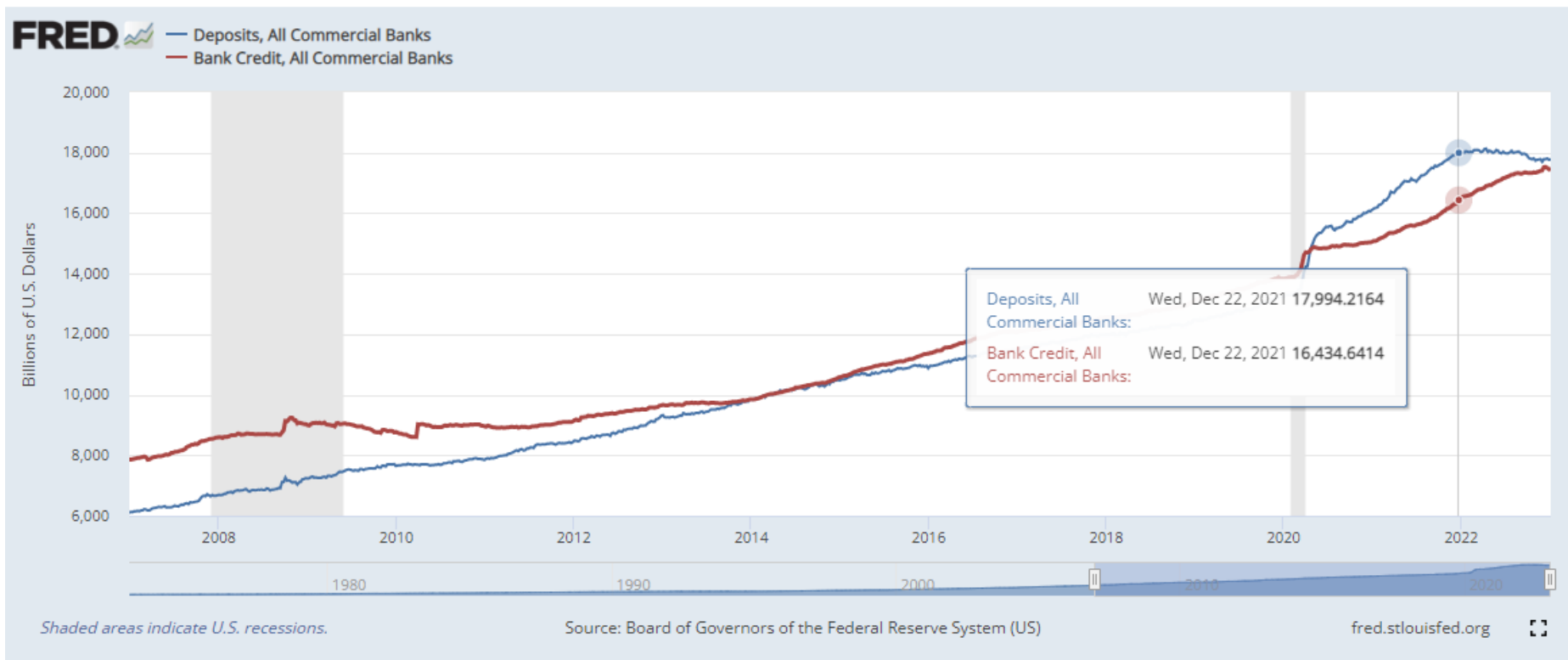
CAMILLE PHILLIPS
SVP RISK,
Today's Bank

The background of the image consists of a series of light gray, wavy, horizontal lines that create a sense of movement and depth. These lines are more pronounced in the lower half of the image and fade into a plain white background at the top.

CHANGE: IT DOES NOT STOP

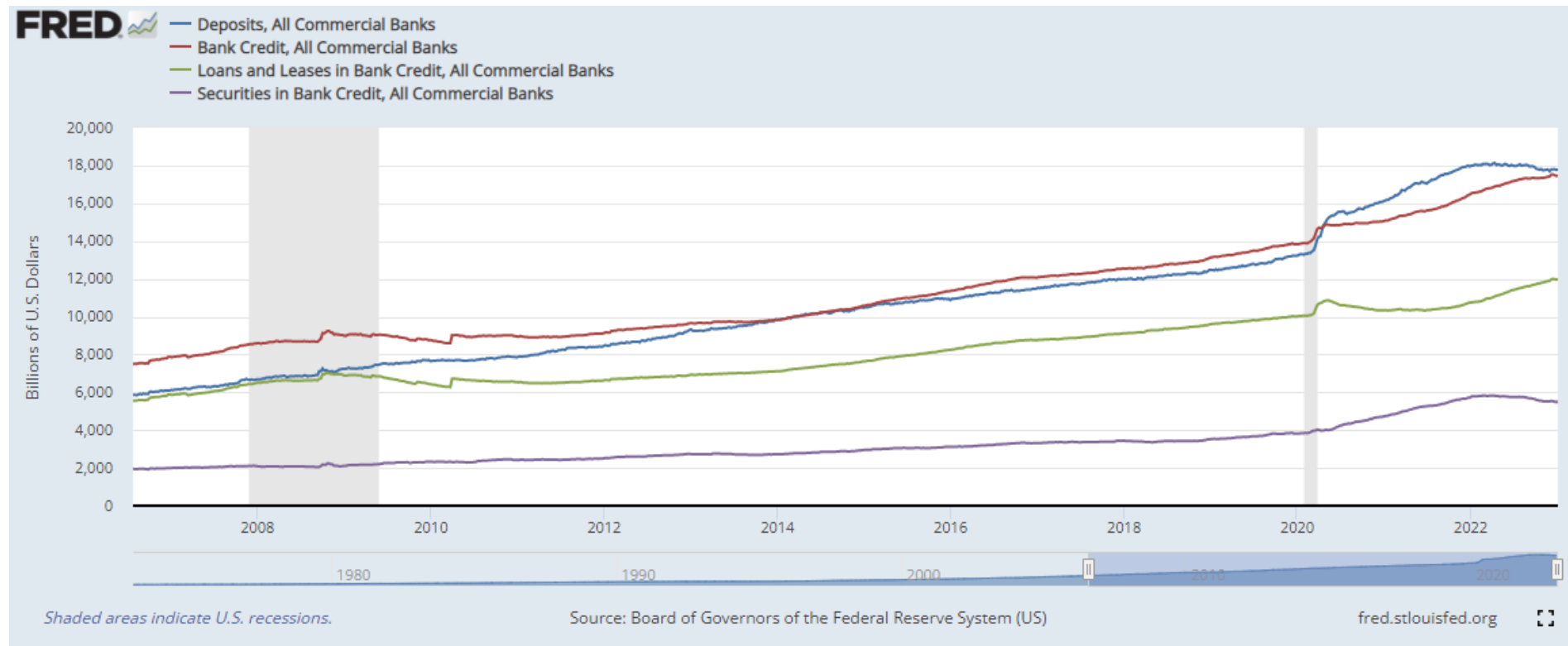
WE ONLY WISH IT WOULD

HOW THINGS CHANGED IN ONE YEAR

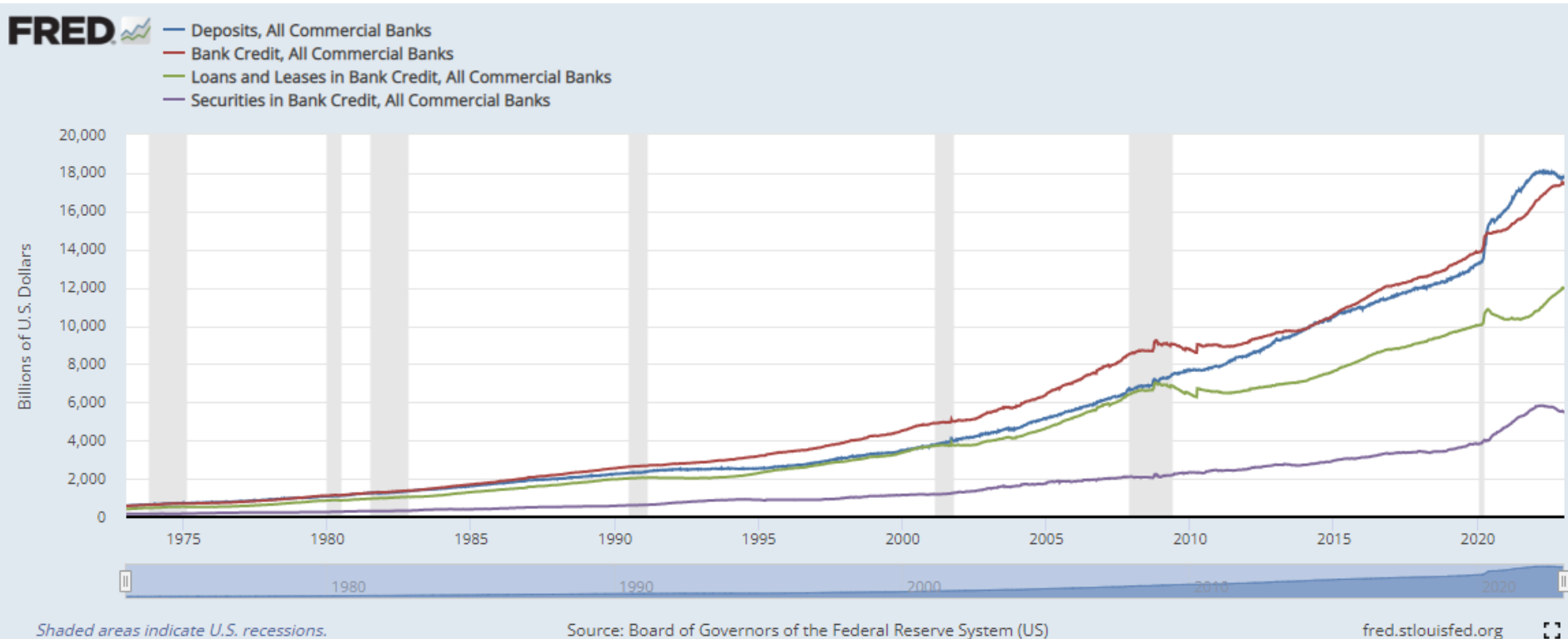


RETURN TO NORMAL

BUT IS IT?



LARGER LOOK

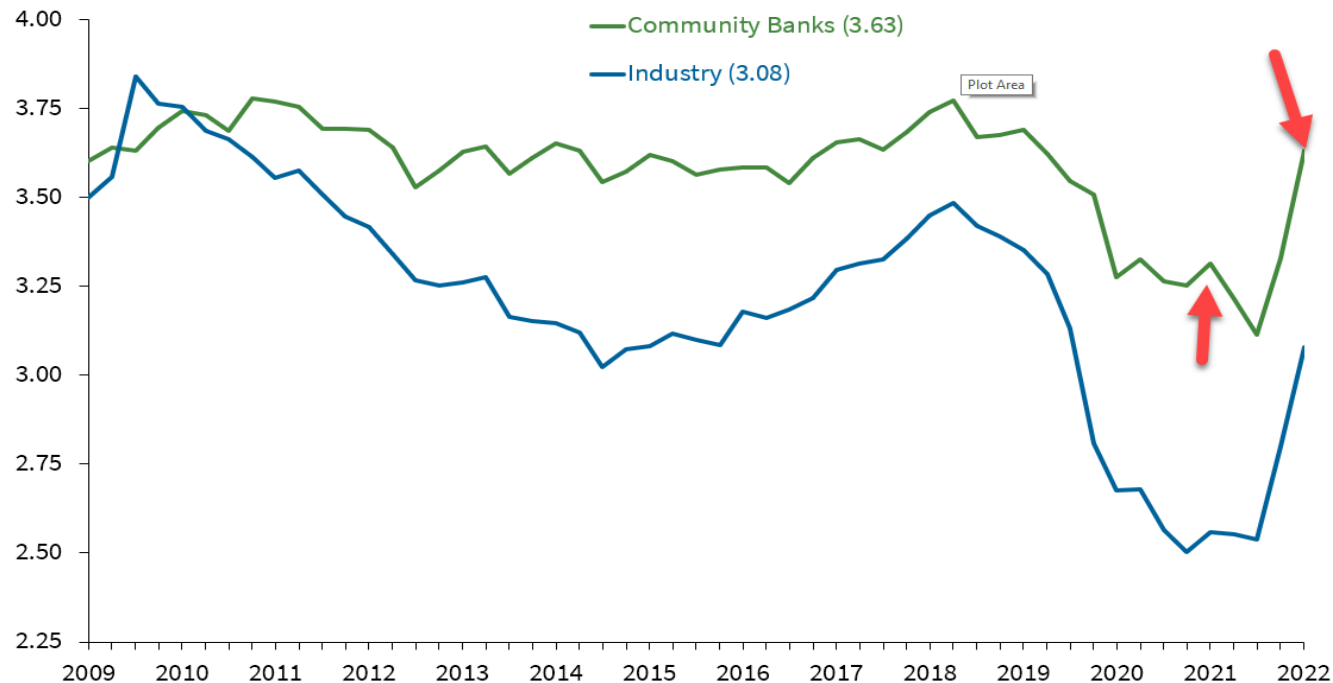


NET INTEREST MARGIN

CHANGES IN JUST ONE YEAR

Net Interest Margin

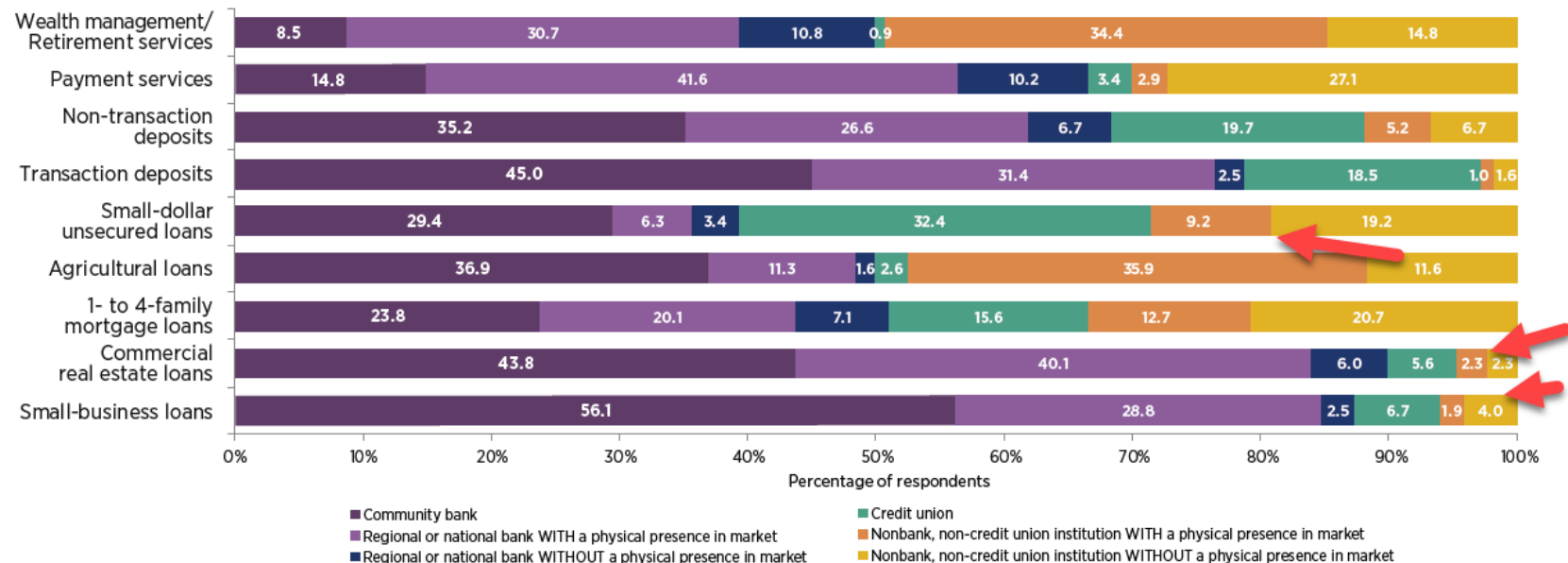
Percent



WHO'S OUT TO GET US?

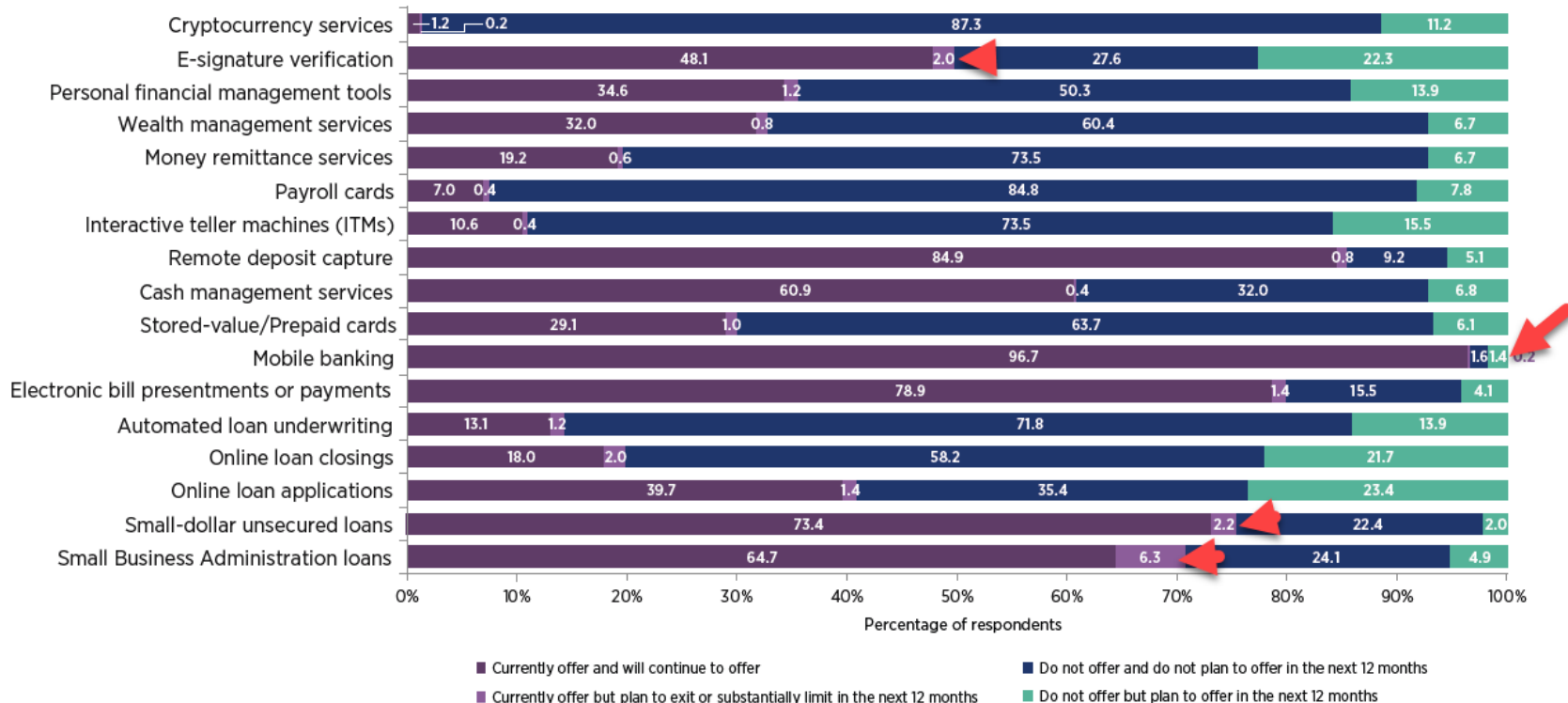
FIGURE 24

Who is your primary competitor for the following products and services?



NEW THOUGHTS ON INNOVATION

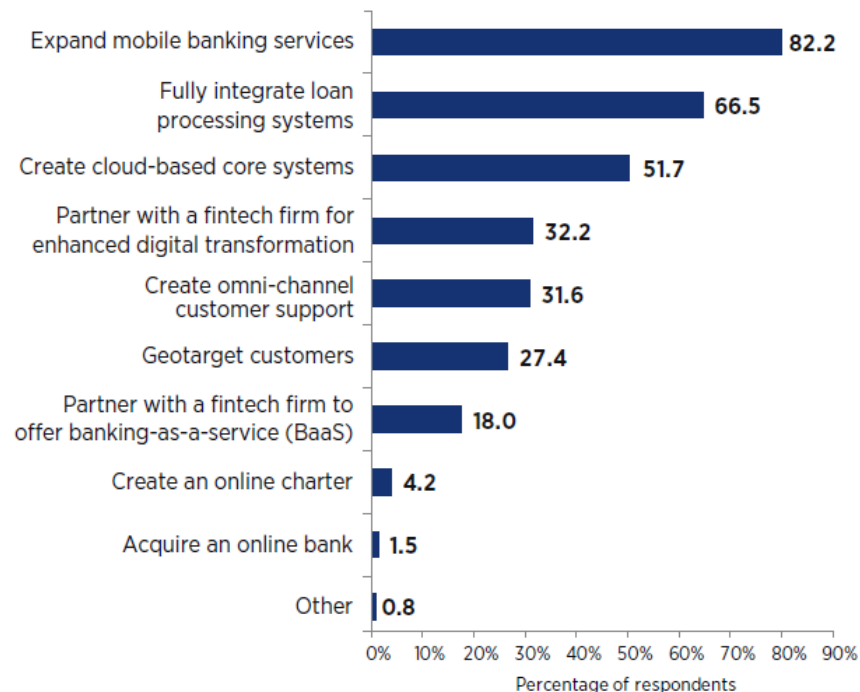
What are your bank's intentions regarding the following financial products or services?



WHERE BANKS ARE GOING TO SPEND

FIGURE 14

What technological developments will be promising opportunities for your bank over the next five years?



THE OBVIOUS

THINGS WE ALL KNOW

BANKER'S WISH LIST

THE THINGS ON MOST BANKERS' WISH LISTS

- One Lending System to Integrate Them All
- Mobile Banking
- Better Customer Support
- Small Business Lending
- Tech Advanced Core with Fast Support





ONE LENDING SYSTEM

THINGS TO CONSIDER

COMMON ISSUES

- What is a lending system?
- Everything in one system
- Appears cost effective
- All eggs in one basket
- Is it me-focused?

ITEMS TO CONSIDER

- Loans have a lifecycle
- Will it integrate?
- A perceived cheaper solution on a long-term contract
- Would you put all your capital in one tech stock?

SECURE PORTAL BENEFITS



- Offer online applications (Think PPP)
- No need for customers to come onsite
- Organized and efficient
- Constant communication
- Open 24/7

MOBILE & CUSTOMER SERVICE

THINGS TO CONSIDER

COMMON ISSUES

- What does “mobile banking” mean?
- Who does this for you?
- Online banking with mobile app
- What about customer service?



OPEN 24/7

NOT JUST ONLINE BANKING



Most of us can answer yes to these:

- Deposit cash
- Deposit a check
- Check my balance
- Send funds
- Make a payment

But can you answer yes to these?

- See products recommend for me
- Apply and be approved for most loans or credit cards
- Renew loan coming up on maturity
- Submit covenant documents and financials
- Sign loan documents or see current loans and all documents

CUSTOMER COMMUNICATION

QUICK AND EASY UPDATES



Sending emails and calling is expected, but what are you **not doing?**

- Sending automated reminders (this is not just for big banks).
- Remembering what you have, don't ask for things you already have.
- Giving customers options outside of calling you back.
- Authentic check-ins. Happy Birthday is lame. How about something personalized to their last transaction?
- Being proactive, call them before they call you.
- Fast and quick status updates with options



SMALL BUSINESS LENDING

THINGS TO CONSIDER

COMMON ISSUES

- What defines a small business?
- Automation solves it all
- Small business hours
- SBA cannot be the only answer

ITEMS TO CONSIDER

- Market to them no matter their size
- Phone and online resources
- Bring in automation for after hours
- Digital tools to help them stay at the office

E-SIGNATURES

WHERE TO GET STARTED



Simple Forms

- Loan Extensions
- Construction Draws
- ACH Setup
- Renewals

Loan and Deposit Documents

- Applications
- Term Changes
- Account Creation
- Online Banking Setup

Internal Items

- Government forms for SBA, USDA, etc.
- Anything you can get a wet signature for



TECH ADVANCED CORE

THINGS TO CONSIDER

COMMON ISSUES

- Older tech (old <> bad)
- Charges \$\$\$ for integrations
- Does not want to integrate
- Slow responses to requests (takes months to do anything)

ITEMS TO CONSIDER

- Moving to a new core is not ideal
- How to leverage renewals
- Support for issues vs support for new ideas
- Cheap is not always good
- A core that does everything is a horrible idea

GOOD LUCK!

OUTSIDE THE BOX

HOW TO BE DIFFERENT AND GET AHEAD
IN TIMES OF CHANGE

SOME DIFFERENT IDEAS

THINKING OUTSIDE THE BOX

A Portal to Focus on Post Booking

- Renewals are critical
- Need for monitoring is increasing

Customers of Commercial Customers

- Serve key commercial customers in a new way
- Increase community reach



CURRENT CUSTOMERS

NEW CUSTOMERS

THE APPLICATION IS STEP 1



[Back to Home](#) [Contact Support](#)

[New Loan](#)

[Instructions](#)

Basic Information

[Manage Documents](#)

[Review and Submit](#)

Basic Information

Select intended loan use to begin:

Commercial

Commercial-related purchases to grow your business.



Personal

Personal purchases to fund your next project.



Requested Amount *

Describe Loan Purpose *

Business Entity Type *

Business TIN *

Business Name *

Business Address Line 1 *

Business Address Line 2

EXISTING CUSTOMERS

THEY NEED DIGITAL TOOLS, TOO



TESLAR BANK

[Back to Home](#) [Contact Support](#) [New Loan](#)

ALL Entities Selected ^

Phil Fancott

☒ Phil Fancott 4

☒ Rolloff Dumpster 0

☒ Ennis Ha...ting Inc 2

Home

☒ Tasks

☐ Loans

☐ Documents

☐ Entities Info

☐ Log Out

ALL ENTITIES

Welcome back, Phil!

My Open Tasks 4



Task ▾

Status ▾

Due Date ▴

Upload Docs

Signed financial statement

REJECTED

286 DAYS PAST

[DRAG OR CLICK TO UPLOAD](#)

2021 Tax Return

OUTSTANDING

272 DAYS PAST

TEST



Proof of Insurance ... bank as loss payee

OUTSTANDING

247 DAYS PAST

2020 TAX RETURN



Debt Service Coverage

OUTSTANDING

242 DAYS PAST

QUOTE6878_CUSTOMER_QUOT



LOAN OFFICER
Lisa Lockheart

lockart@3ebnt.com
480-555-1234

Loans with Open Tasks 4

Loan Name ▾

Maturity Date ▾

Tasks ▾

Loan 2

03-31-2022

3

Loan 1

03-31-2022

3

ENNIS HARVESTING INC

05-31-2036

3

New Truck - Roll Off Dumpster

03-31-2022


2

CUSTOMERS' CUSTOMERS



CONSUMER LENDING FOR COMMERCIAL LENDING CUSTOMERS

HOW DO YOU DO THIS?

COMMUNITY CONNECT

SEASIDE
POOLS

Dashboard Application Admin FAQs Rate Sheet

Logout  

Applicants

Primary
Ryan Barton

Collateral

\$15,000.00
2021 Summer Waves 20x30 Square

Collateral Total: \$15,500.00

Total To Finance: \$15,500.00

Choose Financing Offer — Returned Offers: 3

Winter Offer

Interest rate: 2.9%

Term: 24 months

Down Payment: \$0.00

First Payment Date: 10/20/2022

Loan Processing Fees: \$100.00

APR: 0%

Other Terms:

Dealer Cost: 10%

Minimum Percent Down: 5%

Monthly Payment: \$1,014.44

Final Payment: \$1,014.44

Admin Fees: \$100.00

Select Offer

Negotiate

General Offer

Interest rate: 1.9%

Term: 24 months

Down Payment: \$0.00

First Payment Date: 10/20/2022

Loan Processing Fees: \$100.00

Dealer Cost: 10%

Minimum Percent Down: 5%

Monthly Payment: \$1,004.02

Final Payment: \$1,004.02

Admin Fees: \$100.00

No Offer Selected

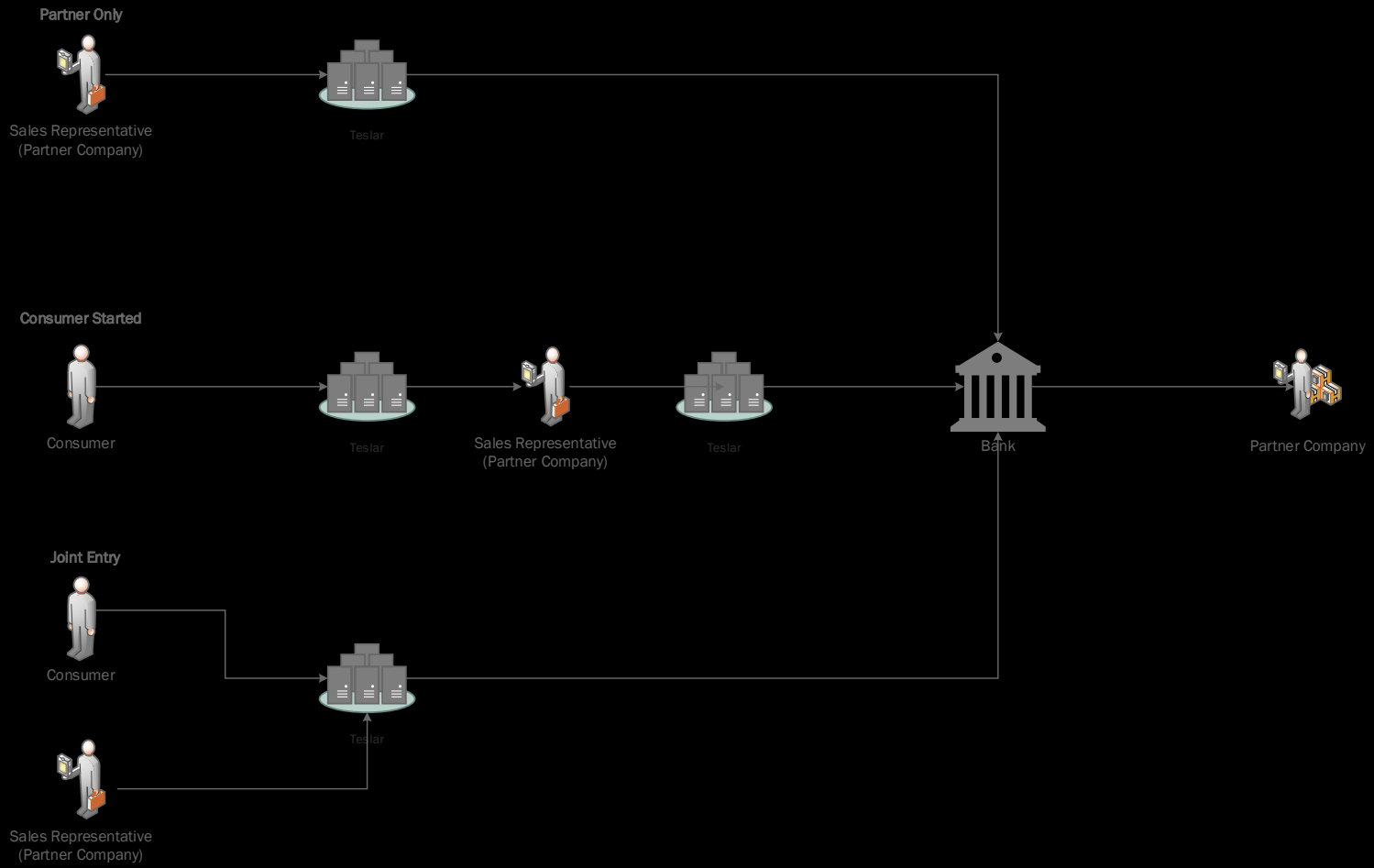
No Offer Selected

Select either Paper Sign or E-Sign for Documents:

☐ Paper Sign


☐ E-Sign

Save And Continue





WHY DO THIS?

COMMUNITY CONNECT



[Dashboard](#) [Application](#) [Admin](#) [FAQs](#) [Rate Sheet](#)

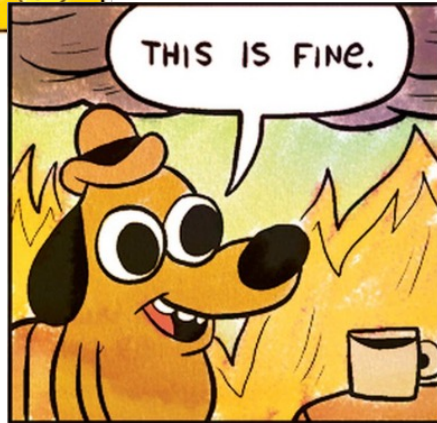
[Logout](#)  

Application Id	Deal Id	Applicant Name	Make Model	Type	Created	Status
38	1303	Ryan Barton	Summer Waves 20x3...	Above Ground Pool	9/20/2022	<div>Details and Messages Financing Selection</div> Select Financing ...
40	1304	Jane Davis	Lifesmart LTE Son...	Hot Tub	9/20/2022	<div>Details and Messages Lender Review</div> No action needed ...
39		Bryan Smith	Olympus Water Wor...	Jacuzzi	9/20/2022	<div>Not submitted New Application</div> Edit Application ...
37	1295	Joe Turner	Summer Waves 20x3...	Above Ground Pool	9/12/2022	<div>Details and Messages Financing Selection</div> No action needed ...
36	1294	Joe Ehrhardt	Maya Spas Portabl...	Hot Tub	9/12/2022	<div>Details and Messages Lender Review</div> No action needed ...
35	1293	Joe Smith	Summer Waves 20x3...	Above Ground Pool	9/12/2022	<div>Details and Messages Lender Review</div> No action needed ...
34	1291	Morgan Smith	Summer Waves 20x3...	Above Ground Pool	9/12/2022	<div>Details and Messages Lender Review</div> No action needed ...
33	1290	Sarah Smith	Summer Waves 20x3...	Above Ground Pool	9/12/2022	<div>Details and Messages Lender Review</div> No action needed ...

WHAT IF THE ECONOMY...

PLANNING FOR ALL POSSIBILITIES

COMMERCIAL LENDING TIPS



Annual Loan Review Up and Running

- Exception Tracking & Covenant Tracking
- Stay Ahead of Issues

Dust Off Special Assets

- Consider Digital Workflows
- Narrative and Other Items Ready

QUESTIONS?



PHONE NUMBER

479.347.4001



WEBSITE

www.teslarsoftware.com



SCHEDULE TIME WITH ME



Joe Ehrhardt

joe@teslarsoftware.com