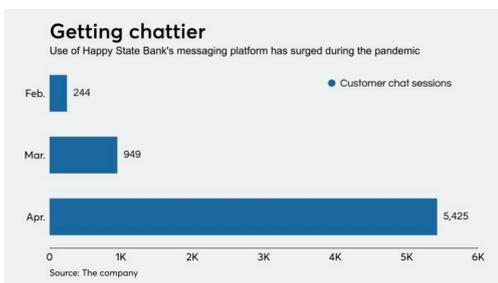**DIGITAL BANKING**

The messaging tool that let Happy State Bank take its lending online

By **Miriam Cross**   May 19, 2020, 1:42 p.m. EDT   3 Min Read

Happy State Bank normally prides itself on serving customers personally rather than relying on technological interactions, but times have changed.

With in-person interactions becoming problematic during the pandemic, the Amarillo, Texas, bank has turned to a platform that resembles a text-messaging app to gather signatures more efficiently, set up new accounts and speed up the application process for Paycheck Protection Program loans.

Getting chattier
Use of Happy State Bank's messaging platform has surged during the pandemic

● Customer chat sessions

Feb.	244
Mar.	949
Apr.	5,425

0   1K   2K   3K   4K   5K   6K
Source: The company

The coronavirus crisis has prompted the $3.8 billion-asset bank to lean more heavily on digital solutions from Lightico and MANTL to onboard new accounts, fund small-business loans and facilitate loan deferrals. At the same time, the new technology has the bank rethinking how it can better serve customers in the future.

Top 5 recovery challenges for banks post-crisis

Is your bank prepared to tackle the unprecedented challenges facing you in the months ahead?

SPONSOR CONTENT FROM VELOCITY SOLUTIONS

In October, Happy State, which has 43 branches in northwest Texas and the Dallas-Fort Worth area, rolled out services from Lightico.

Lightico offers a digital platform that lets businesses collect forms, e-signatures and more from customers, as well as verify ID. It sends the customer a link over text or email that opens into a secure, messaging-like platform.

The bank's original goal was to make the process of gathering multiparty signatures more efficient, and later expand to other lines of business, such as loans.

"COVID accelerated that model a bit," said Mark Murray, business systems liaison at the bank.

CORONAVIRUS IMPACT: ADDITIONAL COVERAGE

1   How TCF pulled off huge M&A integration during pandemic

2   'I'm a budget nerd': How new FHA chief is confronting pandemic

3   TD payments exec: COVID response breaking barriers, spurring diversity

He said bankers and customers have gravitated toward the Lightico platform because of its simplicity and the resemblance to text messaging.

Once a banker initiates a Lightico session by sending a customer a text or email with a link that opens to the messaging, the two can chat back and forth, attach documents and exchange electronic signatures. Rather than scrolling, pinching and zooming in to fill out PDF forms on a smartphone screen, the platform serves up fillable forms. Users enter their information into relevant fields that will populate the PDF form on the back end.

Although there are plenty of electronic signature solutions on the market, Murray prefers Lightico's platform because of the messaging component. "If you have any questions, it's all contained in that secure messaging platform," he said. "When the documents get signed, there's an audit trail and everything gets stored back in our repository."

One place the bank has converted an old-school process to a more efficient procedure is loan deferrals.

Every December for the holiday season, Happy State sends letters to its members inviting them to defer their loans for that month by returning a form in the mail. As the pandemic ramped up, the bank continued in the same vein, but provided a URL where customers could fill out and sign a deferral form online to be emailed back to Happy State's consumer originators.

The bank has also used the Lightico platform to gather documents and signatures and interact with customers applying for PPP loans. It has used the software to establish new commercial accounts. So far, Happy State has facilitated more than 2,700 loans totaling $250 million through the program.

Use of Lightico has surged. In February, Happy State conducted a total of 244 sessions over the platform. In March that number jumped to 949, and in April it hit 5,425.

Meanwhile, for basic consumer accounts, Happy State has relied on online account-opening software from MANTL for the past year. Murray said the process takes less than five minutes.

Unlike other platforms, MANTL doesn't require applicants to take a picture of their driver's licenses. Instead, it relies on a know-your-customer engine from the fintech firm Alloy. Once a customer has submitted an application, Alloy pulls from an extensive list of data sources (which could include credit bureaus, public record checks, authentication tools and more) to review the application and make a decision within seconds.

Murray said the platform is simpler for customers to use and just as good, if not better, at detecting fraud than taking a photo of a piece of ID.

Happy State's satisfaction with Lightico and MANTL has inspired Murray to think differently about his approach to technology.

"We know that the landscape has changed," he said. "I know we're going to be more aggressive on adopting new technologies. Even in the next couple of quarters, that is going to be a huge focus of ours — looking at different ways we can create a more seamless experience for our customers."

At the same time, bank employees are not opposed to an old-fashioned workaround when necessary.

For example, in branches without drive-through lanes, some bankers and customers have taken to conducting business by sliding forms and documents back and forth underneath the slot in the door, with the banker in the lobby and the customer outside.

"We've been real creative," Murray said.

Miriam Cross Tech Reporter, Arizent 🐦