



**ACCOUNTCHEK<sup>®</sup>  
HELPS FEDERAL  
CREDIT UNION  
SCALE ITS  
DIGITAL MORTGAGE  
STRATEGY TO NEW  
ORIGINATION CHANNELS**

Case Study: PenFed Credit Union

**FORMFREE<sup>®</sup>**

# ABOUT PENFED CREDIT UNION

Established in 1935, Pentagon Federal Credit Union (PenFed) is America's second-largest federal credit union serving members worldwide with \$28 billion in assets. PenFed's mission is to empower members of its community to achieve their financial well-being. For more information, visit <https://www.penfed.org>.



## OPPORTUNITY KNOCKED.

When PenFed tapped Winston Wilkinson as president of mortgage banking in 2018, he was charged with the herculean task of overhauling the member experience and mortgage business model at the second-largest federal credit union in the nation.

With Wilkinson's help, PenFed sought to generate greater member engagement in home lending services among the credit union's 2.3 million members by expanding mortgage loan offerings and building a world-class digital mortgage experience.

To achieve PenFed's ambitious mortgage reach goals, Wilkinson set out to achieve two major feats. To serve members more broadly, he would need to pivot PenFed from a portfolio originator that kept loans on its books to a seller of loans to government-sponsored entities and private investors on the secondary market. And to engage more members in PenFed's expanding housing finance offerings, he would need to build out a consumer-direct lending channel powered by an accessible and intuitive online application experience.

From the start, Wilkinson identified electronic verification of assets (VOA) as playing a central role in achieving his goals. PenFed wanted an automated solution powerful and reliable enough to help scale its retail, correspondent and consumer-direct lines of business. The solution would need to come from an Authorized Report Supplier for Fannie Mae's Desktop Underwriter® (DU®) validation service and Freddie Mac's asset and income modeler (AIM), and it would also need to come ready-built to integrate with PenFed's loan origination system (LOS), Encompass by ICE Mortgage Technology™, and point-of-sale (POS) platform, Tavant FinXperience.

## THE SOLUTION WAS CLEAR.

With decades of experience building high-performance mortgage lending divisions at such depository institutions as USAA Federal Savings Bank, Ally Bank and Fifth Third Bank, Wilkinson was well versed in VOA providers.

He selected FormFree® because he had experienced how its patented AccountChek® VOA service could help scale organizations and improve member experience firsthand.

Also, FormFree's long-standing reputation for bringing innovation to outdated processes assured PenFed that the fintech would continue to refine its verification solutions to expand lending opportunities to more members without increasing risk.

Now, when PenFed members fill out a digital loan application, they are prompted to electronically verify assets using AccountChek. Once members submit a loan application, loan officers (LOs) follow up to ensure that all information is correct and to advise members on pursuing the best mortgage products for themselves and their families.

AccountChek makes it easy for consumers to demonstrate their ability to repay mortgage loans by giving lenders permission to analyze their direct-source asset, income and employment data. AccountChek's friendly user interface provides consumers with a modern, streamlined asset verification experience that is faster and more secure than faxing or exchanging physical asset documentation.

AccountChek has been shown to shave 90 minutes off each loan file and expedite underwriting times by up to 8 days by instantaneously collating consumer-permissioned data into easy-to-read reports. It also gives lenders the option to refresh real-time asset reports in 30-, 60-, 90-, and 180-day periods.

# THE RESULTS SPOKE FOR THEMSELVES.

AccountChek has proven extremely effective for PenFed, as evidenced by the following results:

- **INCREDIBLE MEMBER SATISFACTION**

AccountChek VOA has helped drive down the time it takes to provide immediate credit approval. Perhaps that's why when members opt to automate asset verification, they report 87% satisfaction with their home financing experience.

“AccountChek was pivotal to launching our digital lending channel,” said Wilkinson.

“Opening the doors to a first-class home financing experience that our members could experience from anywhere has transformed the level of service we are able to provide.”

- **EXPANDING FIRST-CLASS SERVICE TO THE ENTIRE MEMBERSHIP**

With FormFree's help, 70% of PenFed's retail mortgage business now comes through its consumer-direct channel, a testament to how improving accessibility to mortgage lending is allowing the credit union to meet a previously unfulfilled member need.

“At PenFed, we measure success by how many people we've helped,” said Wilkinson. “Before launching our digital and correspondent lending channels, we were doing about \$150 million a month in mortgage volume, whereas now we are doing \$2 billion a month in mortgage volume. AccountChek has been an essential component of our expansion strategy.”



- **ACCOUNTCHEK CHECKED ALL THE BOXES**

When PenFed set out to find a VOA partner, it needed a solution that would facilitate selling loans on the secondary market and that could flex to its tech stack. PenFed found all of that in AccountChek, a technology that integrates to Day 1 Certainty® services from Fannie Mae and Loan Product Advisor® services from Freddie Mac, which in turn offer lenders access to representation and warranties relief on validated loan components. Moreover, AccountChek already had plug-and-play integrations with both Tavant and Encompass.

“Our strategy isn’t to build proprietary technology, but to put together best-in-class partnerships that power technology behind the scenes and orchestrate a proprietary member experience,” said Wilkinson.

- **A CUSTOMIZED MEMBER EXPERIENCE**

In addition to white labeling AccountChek to reflect PenFed’s branding, FormFree customized the VOA experience so that PenFed was featured as the first financial institution members could select to permission asset verification.

Overall, PenFed is extremely pleased with the enhanced customer experience FormFree enables it to provide to its members. The credit union is proud to report a 74.5% AccountChek conversion rate in Tavant, meaning that 74.5% of members verify assets with AccountChek when prompted during the digital application process.

## ABOUT FORMFREE

FormFree® is a market-leading fintech company whose revolutionary products AccountChek® and Passport® are building a more inclusive credit decisioning landscape by encouraging lenders to view borrower ability to pay (ATP®) more holistically. To date, thousands of U.S. lenders and brokers have ordered millions of FormFree's patented verification reports representing over a trillion dollars in loan verifications. An Authorized Report Supplier of eligible verification reports for Fannie Mae's Desktop Underwriter® (DU®) validation service and Freddie Mac's asset and income modeler (AIM), FormFree delights borrowers and lenders with a paperless experience, reduces origination timelines by up to 20 days and offers automated analysis and standardized delivery to lenders and investors using a secure ReissueKey®. For more information, visit <https://www.formfree.com> or follow FormFree on LinkedIn.