

Byline Bank mitigates risk, closes deals faster, and preserves its reputation with Tax Guard's help.

CASE STUDY SUBJECT



CLIENT TYPE

- SBA Lender

USE CASES

- Federal Tax Debt Reporting
- Tax Transcripts

PRIMARY VALUES

- Faster Closings
- Risk Mitigation
- Reputation Protection

PROBLEM

Chicago-based Byline Bank is the nation's second largest Small Business Association (SBA) lender, with close to \$1 billion in assets. SBA loans are primarily for startups and unseasoned small businesses, so they're considered high risk from the perspective of the lender. Furthermore, SBA loans are government-backed, which means that in addition to increased government scrutiny, there's additional paperwork when compared with a conventional loan.

"The scrutiny, the level of due diligence, and the list of documentation that we ask our clients to provide is very cumbersome and very complicated," said Laima Lohman, Senior Vice President / SBC Closing Operations Manager at Byline Bank. "It's all because it's government-backed lending, and we have to comply with government requirements in order to protect the guarantee."

"Try Tax Guard, and then you will know the difference between them and their competitors. I'll help them grow their client business because they deserve it.."

Byline Bank is also a preferred SBA lender, so it can issue guarantees on behalf of the SBA. This further increases the scrutiny and due diligence.

"If a loan goes bad and we have to submit it to be repurchased by the SBA, they'll scrutinize the loan, the documentation, the underwriting, the closing, and the funding part of it before they honor the guarantee," said Laima.

Byline Bank sought a partner that would help ease the burden of the high level of scrutiny and due diligence related to SBA loans. The bank also wanted a flexible partner who would facilitate a more thorough risk assessment process while providing fast, consistent turnaround times.



I thought Tax Guard's promise of same-day transcripts was too good to be true, I didn't even believe them—but I gave them a trial and they delivered.

LAIMA LOHMAN

Senior Vice President
SBC Closing Operations Manager
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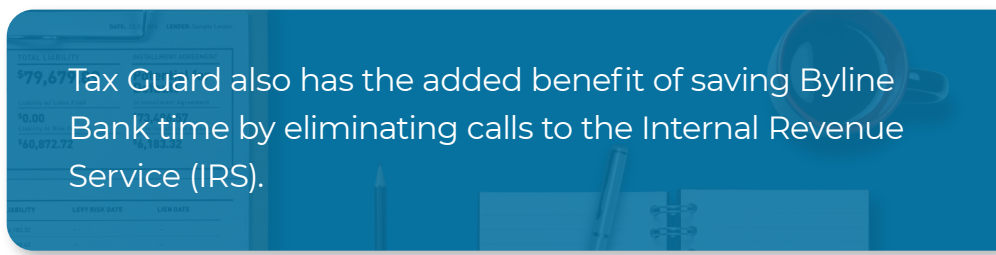
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SOLUTION

Byline Bank partnered with Tax Guard to provide tax debt reporting and tax transcript returns for SBA loans. Initially, Tax Guard's big selling point was same-day transcripts, which Laima thought "was too good to be true, I didn't even believe them—but I gave them a trial and they delivered."



Tax Guard also has the added benefit of saving Byline Bank time by eliminating calls to the Internal Revenue Service (IRS).

"When you call the IRS, you're on hold, then on hold again, and two hours later, you might have an answer," said Laima. "Tax Guard eliminated all of that."

Furthermore, Tax Guard provided Laima with more flexibility than Byline Bank's other providers.

"The concern my teams had [with these other providers] is the sensitivity to forms and how they are completed," said Laima. "If we missed a comma or a period, the form would get rejected. If we didn't fill something in, the form would get rejected. Tax Guard is so much more flexible and integrated, and the responsiveness is beyond compare."

RESULTS

Faster Closings

"Having access to those transcripts in a much faster manner, the ultimate result is closing much faster, which then you end up closing more deals," said Laima.

Risk Mitigation

"Another big advantage for Tax Guard is that they do what nobody else does, and that's reveal the tax liabilities before any judgment ever gets filed," said Laima. "This is how Tax Guard takes care of your risk levels."

Reputation Protection

"Tax Guard has saved us from a reputational risk with SBA," said Laima. "That's something that's very important to us. We take pride in us being the second largest SBA lender."

