

## Sandia Area FCU Achieves 99% Success Rate in Meeting Reg E Timelines

Learn how Sandia Area FCU reduced processing time by 10 minutes per dispute claim



Sandia Area FCU has over \$1 Billion in Assets and serves nearly 90,000 members with seven branches located in the metropolitan area around Albuquerque and Santa Fe, New Mexico.

### Challenge

Prior to 2021, Sandia Area FCU used a manual processing system to manage payment disputes. The payment dispute process began with paper-based intake of the dispute. Spreadsheets were used by the back office team to manage provisional credit, member notification and all remaining steps including time-sensitive compliance mandated tasks.

### Solution

Sandia Area FCU selected FINBOA Payment Disputes because it provided a scalable, robust processing solution; data integration with other banking systems; and enabled the credit union to digitize, simplify and update back-office dispute processing to meet their long-term goals.

FINBOA's Payment Disputes solution automated and streamlined the dispute and fraud claim process for the credit union improving audit tracking, reducing claim processing time and errors, reducing compliance cost and decreasing losses. The dispute tracking system through FINBOA simplifies the administration of disputed electronic transactions (debit card, ACH, Bill Pay, and payment transfers) while meeting Regulation E requirements.

#### The challenges manual processing posed for Sandia Area FCU included:

- Long processing time led to missing Reg E compliance timelines
- Errors during intake, provisional crediting and member notification
- Lack of visibility into the claim status for member and audit reporting needs
- Member service suffered from inconsistent communication, long dispute resolution timelines, errors and omissions in data collection
- Excessive expense due to losses and full-time staff required to process high dispute volumes

## Sandia Area FCU

FINBOA Payment Disputes Customer since 2021

Asset Size greater than \$1B, named #1 in Forbes Magazine's 2023 Top Credit Unions in New Mexico

### Michelle Neri

Deposit Operations  
Fraud Specialist and  
Security Officer

Card Services Manager,  
Sandia Area FCU



Sandia Area FCU, named the #1 Top Credit Union in New Mexico by Forbes Magazine in 2023, is dedicated to adopting technologies and processes that improve compliance and member service outcomes. In 2021, credit union management determined that manual payment dispute processes were hindering their ability to meet compliance standards and member service needs around payment disputes. The FINBOA Payment Disputes solution was selected as the technology solution to transform and digitize their manual dispute process.

Michelle Neri, Sandia Area FCU's Card Services Manager, is a daily user of FINBOA Payment Disputes. Neri shared her experience of how automation compares with manual processing in transforming payment disputes processing and meeting Reg E compliance requirements. "so that's a time saver as well."



When I came to Sandia Area FCU using FINBOA Payment Disputes, it was the first time in my career that I'd worked with dispute processing automation. When I worked in a manual environment, I had two full time employees who processed claims pretty much all day. With the FINBOA solution, I now have one employee working part-time to process the claims for a \$1 billion credit union. There is less staff time required because the process is so streamlined."

## Why FINBOA?

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FINBOA Payment Disputes simplified the dispute and fraud claim process for the credit union allowing for automation, improved audit tracking, reduced dispute-processing time and errors, reduced compliance cost, and decreased losses.

## FINBOA Customer Support

Neri highlighted the high-level customer support FINBOA provided to Sandia Area FCU during implementation and through ongoing support needs. FINBOA's customer support experiences have been very responsive. "FINBOA's support team have been very involved from the beginning. They offered many training options including train-the-trainer and were available for one-on-one calls before, during, after implementation. I've never waited beyond a day for somebody to respond to me and know what's going on. Our support team will pick up the phone and say, okay, let's talk about it. What are you trying to achieve and how can we get you there? I love that part of the customer experience." said Neri.

## Results

**"We can pull FINBOA data and show that 99% of our claims were completed within the Reg E timeframe"**

- Michelle Neri, Card Services Manager, Sandia Area FCU

## Benefits Realized From FINBOA Payment Disputes



**Cost and time efficiency:**  
Reduced processing time by 10 minutes per dispute claim



**Error reduction:** Eliminated unnecessary member communication and improved member experience



**Better compliance audit outcomes,** with fewer audit findings



**Improved data led to better fraud identification:** Fraud losses have dropped ten-fold since implementing FINBOA

### Time Savings

Sandia Area FCU has documented a time savings of up to 10 minutes per dispute claim due to FINBOA's integrated account holder and transaction data; automated workflows and customized questionnaires. This has impacted the speed of claim intake, back-office processing and response time for member or audit inquiries.

According to Neri, "By automating back office workflow, the credit union has gained consistency, organization, and time savings for dispute specialists, accounting and management staff. The ability to quickly access claims and enhanced record keeping provide a more timely and reliable response for our members."

### Better Compliance Performance with Fewer Audit Findings

The credit union has improved their performance in meeting Reg E timeline requirements since transitioning to automated processing using FINBOA Payment Disputes. "All claims since roll-out have been completed within the 45-day requirement to ensure we remain in compliance. Prior to using FINBOA, claims went beyond the Reg E timeframe placing the organization at risk of non-compliance. FINBOA offers us the ability to run a full audit of all activity from intake to final decision for all dispute claims," says Neri.

### 99% of Reg E Claims Meet Timelines

The FINBOA solution has improved the team's confidence going into compliance audits. Neri says, "If we get audited, we can actually pull from the FINBOA data and show that 99% of our claims were completed within the Reg E time frame. This allows us to pinpoint the one that wasn't and why."

### Improved Member Experience

At Sandia FCU, FINBOA Payment Disputes helped improve staff performance in the intake process as well as handling member inquiries about dispute claims. The FINBOA solution offers credit union staff the ability to immediately identify the status of a claim, view all documents/communications, and add notes to payment disputes. The data access enables staff to answer member questions without long delays or requiring them to wait on other staff members to reply to dispute inquiries.

Neri describes the impact, "This has eliminated approximately 25-30 member correspondences a month going to the dispute processing team. It has empowered staff, provided resources, and supports service levels. Full timeline dispute management has improved our understanding of the overall process both internally and with our vendors."

### Error Reduction Leads to Operational Efficiency

According to Neri, "The FINBOA process really makes dispute processing almost error proof because it walks the employee through step-by-step on filing that claim. With a manual system the intake process is a common step where errors occur in collecting dispute information."

Automating the dispute process has considerably reduced errors and incomplete claims for the credit union, resulting in the elimination of extra emails and correspondence to and from departments. Additionally, the automatic transaction posting of debits/credits via ACH offers a substantial time savings and reduces errors experienced using the previous manual process.

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## Reporting and Improved Data Tracking

The centralized dispute data repository offered by FINBOA Payment Disputes has improved data access and reporting. From the ability to customize workflows and utilize reporting capabilities, reports can be generated on the types of claims and the accounting team has access to view chargebacks and re-presentments in a centralized location.

## Automation and Alerts Streamline Notifications and Provisional Credit Processing

Automated letter production has sped up member communication and has reduced call volume. According to Neri, "The automatic provisional credit posting of FINBOA not only helps us meet Reg E timelines, it reduces errors of incorrect postings."

Neri states, "The Alerts have been great for keeping us on track when provisional credit is due; when somebody is reaching their Reg E timeframe and when we have to make a final decision on unresolved claims. We use those alerts on a daily basis to make sure that we are staying in compliance with Reg E."

Manual tracking of member notifications, provisional credit actions, GL posting and dispute decisioning were causing problems for Sandia Area FCU. Now, with FINBOA Payment Disputes solution, these actions can be automatically handled. FINBOA's automation handles all of the member notification steps, provisional crediting and GL posting. The majority of dispute decisioning is also handled through FINBOA's automation. As Neri commented, "FINBOA's automation digitizes the whole manual process of notification letters. So I'd say it saved me one and a half full-time employees."

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FINBOA's automation digitizes the letter notification process which used to require time-consuming, manual steps. So I'd say it saved me one and a half full-time employees.”

- Michelle Neri, Card Services Manager, Sandia Area FCU



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