



Trust the Asset. Trust the Transaction.™

## CASE STUDY

# Kinecta Elevates Compliance, Expands Revenue Channels with Digital Innovation



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For nearly 80 years, Kinecta, one of the nation's leading credit unions, has been driven by the same vision: to provide superior financial services to its members. With assets of more than \$4 billion, the financial well-being of its 300,000 members is Kinecta's continuing priority.

Committed to expanding its position as a leader in the financial services industry, Kinecta sought to improve its loan processes and expand its revenue channels. The organization understood that although eSignature was utilized in front-end loan applications, a hybrid process where digitally signed documents are photocopied and transferred—as is common in indirect lending—was highly inefficient.

To improve its loan processes and expand revenue channels, Kinecta Federal Credit Union understood the need to transform and manage transactions in a fully digital environment.

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## Who is Kinecta?

Based in Southern California, Kinecta was established in 1940 as the Hughes Aircraft Employees Federal Credit Union to provide employees at the manufacturing plant a convenient way to manage their finances. In 2001, the credit union rebranded itself under its current name. With more than \$4 billion in assets, Kinecta continues to serve its 300,000 member-owners with the same level of commitment as when it first started; when 12 founders each deposited \$5 to make the credit union's total assets \$60.

As a membership-based, not-for-profit establishment, Kinecta's offerings include checking and savings accounts, credit cards, residential mortgages, and auto loans. Relative to banks, it offers better rates on loans and savings, and its strong community focus puts members' financial well-being at the heart of the organization.



## Why Did They Choose eOriginal?

As part of a broad digital transformation initiative, Kinecta wanted a more secure and effective way to preserve valuable documents, especially in its indirect lending business. Using indirect lending as a channel to drive loan revenue is an increasingly popular tactic for credit unions. As a result, the industry is still navigating how to best work with and manage auto loan originators, many of which rely on antiquated methods of creating and managing the authoritative copies of loans.

Without a fully digital environment, the transfer of loan ownership involves an inefficient hybrid process where documents are eSigned but physical copies of these documents are shipped to credit unions when the assets are acquired. This creates a high degree of uncertainty and risk, as the authoritative copy is essential in the transfer of ownership to provide the warranty on the originated documents.

Through a referral by DocuSign, its eSignature vendor, and an eOriginal partner, Kinecta saw an opportunity to integrate the most compliant and trusted process in the lending market. Trusted by top financial institutions, all rating agencies and major legal counsel, eOriginal's expertise and experience in digital lending transformation assured Kinecta that it had found the right partner.

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## The eOriginal Advantage

Upon eSigning loan documents, the eOriginal solution creates an authoritative copy, also known as the 'digital original' asset—offering the legal and enforceable rights of a paper document—with an auditable chain of custody and control. By providing Kinecta with clarity on the digital original of loan documents, eOriginal has eliminated concerns about the validity of electronic agreements. Furthermore, the eOriginal solution fully complies with all authoritative copy criteria of UCC Article 9-105 for control of electronic chattel paper.

In addition, an end-to-end digital transaction management process puts Kinecta in a prime position to take advantage of the growing number of indirect channels available via online originators or aggregators such as OpenRoad Lending. It also enables Kinecta to acquire these auto loans at lower operational costs, while accelerating speed and capital efficiency.



## The Results



When Kinecta started doing business with eOriginal in 2012, we were doing about \$20 million per month in gross paper in indirect loans. Now, we are doing \$50 million per month, and are at about 1,000 indirect loans per month. It's big business. ”

**Kirk Fox**  
Manager of Consumer Lending,  
Kinetca Federal Credit Union

Empowered by an innovative mindset and a commitment to digital transformation, Kinecta Federal Credit Union has positioned itself among the largest credit unions in the United States and is continuously looking for ways to grow and better serve its members.

With a commitment to its digital initiative, Kinecta uses eSignature and the eOriginal solution to elevate trust, improve its operational efficiency, and accelerate its movement of capital. Additionally, by using eOriginal to connect to a growing digital lending ecosystem, Kinecta Federal Credit Union has also expanded revenue opportunities.

Kinetca's indirect loans have **grown more than 200% a month, reaching more than \$50 million**



Working with other lenders such as OpenRoad Lending, Fleet, and others, Kinecta is able to **purchase auto loans from online originators** across the country



With integration of digital technologies, Kinecta has driven a **10 to 15% increase** in auto loans through online originators





## About eOriginal

eOriginal guarantees trusted transactions of digital financial assets for all parties from the borrower to the secondary market. We create a 'digital original' document that combines all the legal and enforcement rights of a paper contract with the capital and operational efficiency of digitization. Our proven network provides the confidence, visibility and compliance lenders and buyers need by providing certainty in how these assets are maintained.

As a pioneer in the space, we are a trusted partner for digital lending transformation and management by major financial institutions, leading law firms and credit ratings agencies. For more information, visit [www.eoriginal.com](http://www.eoriginal.com).

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