

Three use cases for how First Security Bank of Roundup uses B3 (formerly Water Sage)



B3 SAVES TIME AND MONEY

Prior to B3, to find water rights for a land parcel, Shawn or his team needed to either take a trip to Helena to look up the records or outsource the task. Both of these solutions caused difficulties. Helena is a six-hour round trip drive and costs at least a full day out of the office. Outsourcing had its own set of risks as the team needed to trust that their vendor completed the job entirely, didn't miss anything and, of course, there were fees involved. Short of this process, the bank filed paperwork with a blanket statement of "and all associated water rights," which both undervalued the land and didn't provide a complete picture of the investment. Now, they can cite specific water rights, not just wells, stock water or irrigation water in the mortgage and UCC/CC1 filings.

RESULT

Shawn and his team utilize B3 3-4 times a month for these kinds of projects. On an annualized basis, he estimates that saves 336 hours or 42 business days each year.

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With B3, all the information is right in front of me. I can search by owner name or I can draw a box on a particular piece of land and find all related water rights and their documentation.

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B3 DECREASES RISK AND INCREASES LOAN VALUES

With B3 in hand, Shawn can confidently make larger loans to his clients. Knowing water rights on a piece of land doesn't change the property valuation, but it does change the collateral value when he knows he has verified the water rights. There is less exposure for the bank and more specificity in their mortgages and loans. It ensures that customers and bankers alike are aware of what rights are available so rights are sold correctly, thereby accurately valuing the property. For appraisals of less than \$250,000, the bank does the appraisals themselves and they utilize B3 printouts for their paperwork. And, he says, regulators like seeing the data.

RESULT

Shawn and his team estimate a collateral value increase of 10%-20% in loans on properties that have water rights verified through B3.

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Being able to tie water rights into land value helps us offer larger loans with less risk and it helps the customer as they can borrow more money against their land.

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B3 BENEFITS CUSTOMER RELATIONSHIPS

Shawn enjoys being able to show his clients land and water assets in B3. Typically, his clients are shocked at how quickly their questions can be answered. Including a B3 printout in a mortgage packet allows for more comprehensive information and professionalism. In addition, being able to access original documentation in minutes decreases the significant back and forth that used to be required. He even helped one client uncover a well on his property he didn't know he had!

RESULT

Improved long term client relationships as the team can provide immediate value when a client walks in the door. Clients come back because they know this information is available to them.

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When clients see B3, their first reaction is usually, 'Holy smokes! I can't believe all that data is right there! Can I have a copy of that?'

It's a value-add to the loan process, a reason for customers to continue doing business with us.

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