

CASE STUDY

INDUSTRY: MORTGAGE/LOAN/
REAL ESTATE INVESTMENT

APPLICATION: DOCUMENT
ARCHIVAL STORAGE

INTEGRATOR: DATA ARCHIVE
CORPORATION

SOLUTION: PLASMON
G-SERIES WITH UDO

"Looking at the compliance matches and options, the Plasmon UDO technology was the best choice that stood out."

Dan Parsons
Chief Technology Officer
Budget Finance Company



Budget Finance Company Solves Compliance Requirements and Improves Overall Document Efficiency with Plasmon UDO Library

Budget Finance Company

The Organization

Located in Los Angeles, California, Budget Finance Company (BFC) specializes in lending mortgages on single family residential housing, apartments and small commercial structures in California, Washington and Oregon. For more than 50 years, BFC has focused on low risk real estate investments.

The Problem/Challenge

BFC faced significant efficiency challenges when it came to managing the high volume of paper documents associated with the loan process. The company recognized that it needed to invest in a storage solution to reduce its paper clutter, while also addressing a critical requirement: compliance with strict government regulations regarding how a document is electronically archived.

Industry regulations require mortgage materials to be stored for seven years after the loan has been paid off, and therefore BFC in-effect needed to be capable of archiving its clients' records for up to 37 years. After the seven-year post-loan period, the loan information must be destroyed. Additionally, California civil code code 2941 requires that the image storage media "shall be non-erasable write once, read many (WORM) optical image media that does not allow changes to the stored document," and that "written authentication identifying the optical image reproduction as an unaltered copy...shall be stamped or printed on the optical image reproduction."

BFC used these criteria as their guidelines for choosing an archiving solution. In addition, BFC was determined to move away from paper documents and work to migrate to an electronic document workplace. This "paperless office" initiative demanded BFC implement an archiving solution that enabled BFC workers to easily access documents and create a more efficient workflow for the company.

TEL: 800-451-6845
FAX: 720-873-2501
SALES@PLASMON.COM
WWW.PLASMON.COM



According to BFC's Compliance Officer and Principal Noah Furie, "We decided that if we were going to a paperless environment, we needed to have the non-refutability that would be legally binding in California."

Solution/Results

To solve its challenges, BFC considered a hard disk-based WORM system, a Magneto Optical (MO) system and Plasmon's Ultra Density Optical (UDO) solution. While initially interested in the disk-based option, BFC could not justify the cost and CTO Dan Parsons felt that MO systems were not as reliable.

"Looking at the compliance matches and options, the Plasmon UDO technology was the best choice that stood out." Parsons added, "We also determined that with the regulations, we needed optical to ensure California compliance."

Plasmon's WORM media offers the highest level of physical record authenticity and is ideal for industries that require documents be retained for years or decades and must be held to a very high standard of legal admissibility. Unlike magnetic storage media, UDO tolerates a wide range of environmental conditions and can be safely stored for many years in a typical office environment. With media life in excess of 50 years, Plasmon UDO was a perfect fit for BFC's long term archiving needs.

BFC turned to Paul Greene, now of Data Archive Corporation a value added reseller of Plasmon technology, to configure the solution. In 2004 BFC installed two Plasmon G-24 UDO Libraries, one on-site for primary archiving and one off-site 20 miles away used for instant replication and disaster recovery purposes. About 40 concurrent users, four of whom are Programming/IT staff, interact with the system on a regular basis, scanning documents into two Xerox document center copiers and a Fujitsu production scanner, which put the documents into a workflow environment.

The loan documents are proprietary to BFC, are sent out for signatures and then scanned into the system. Because the loans are being paid off over long periods and not necessarily on a consistent basis, the archived information on one particular loan may be scattered across the system's files. With a range of loan numbers and sub-directories for each individual account, and the individual documents within the account, BFC uses a proprietary software application that knows which documents are required to go where. Documents are sorted and written to the UDO libraries and the sequel server database puts them in hierarchical order for ready rapid access. Once archived, the UDO solution provides quick access to address compliance issues or the need to search and retrieve documents for litigation or discovery purposes.

Conclusions

Using Plasmon UDO technology has enabled BFC to remain compliant with regulations, and make substantial headway in its quest to reduce dependence on paper documents. Within one year, the company reached the point where workflow items were created in order to reduce internal paper use, and about 90% of its materials have been scanned into the Plasmon G-24 UDO Libraries.



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While Parsons has expressed interest in upgrading to a larger Plasmon library or the recently introduced UDO Archive Appliance, he is happy with the performance and media capacity of the G-24 UDO Libraries for now. Each Plasmon UDO media cartridge currently holds 30GB, but will be increasing to 60GB in 2007 and doubling again to 120GB in 2009. Parsons is also planning to use the newer Compliant Write Once media as a next step beyond WORM, which will allow BFC to specify automatic destruction of files after the seven-year post-loan mark.

"As far as Plasmon is concerned, we don't even have to think about the system because it's been a seamless operation, and overall it's been working like a gem. With media upgrades, we should be set for the near future."

For BFC, the Plasmon UDO Libraries have freed up the workflow process, created a disaster recovery system and generally reduced the amount of paper records in the company. Handling the amount of complex loan files that they do, BFC now finds itself much better prepared to meet compliance adherences and access records quickly should the need arise.



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