

GBC Bank is winning the loan payment game

Traditional Service Meets
Modern Technology



GBC Bank

Address

1920 N. State Street
Greenfield, IN 46140

Phone

317-462-1431

Website

gbcbank.com

Assets

Nearly \$900M

Accountholders

30,000+

Founded

1871

Number of Branches

8

Software Solutions

Payrailz® Payments Platform™,
Payrailz® Pay a Loan™, JHA
PayCenter™, JHA OpenAnywhere™,
Banno Marketing™, Fed-Now®
Service, RTP® Network

In the world of community banking, longevity is often a badge of honor. For GBC Bank (GBC), that badge is polished to a shine. Established in 1871, GBC Bank – located 30 minutes east of downtown Indianapolis – has spent more than 150 years as a pillar of the Indiana financial landscape.

But as any seasoned banker knows, history alone doesn't pay the bills. Or, more accurately, it doesn't make it easier for customers to pay theirs. So as GBC Bank – a top-10 performing bank in Indiana for the past three years, with assets near \$900 million – looked ahead to a new era of growth, SVP and COO Justin R. Proctor realized the bank needed to do more with their tech stack to continue competing against national banking giants and agile fintechs.

Their primary target for modernization? The often-cumbersome world of loan payments.

By implementing Payrailz® Pay a Loan™ from Jack Henry®, GBC Bank is proving that a century-and-a-half-old financial institution can still move with the speed and sophistication of any modern competitor.

moving beyond the coupon book

For years, the process for loan payments at GBC had been a study in manual labor. While the bank boasts a robust portfolio of commercial real estate, mortgage, and consumer loans, the actual mechanism for receiving payments from external accounts was, in a word, cumbersome.

Traditional coupon books and those types of payments – although still preferred by community banking partners of a certain age demographic – are inefficient to use compared to modern methods and are increasingly prone to security risks. GBC wanted to get away from that environment.



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“One of our pain points was always payment solutions for loan customers,” says Proctor. “We were setting up ACH agreements manually – pulling amounts every month via ACH channels with other financial institutions. It involved manual general ledger (GL) tickets and running transactions one by one. As our portfolios grew, it just wasn’t feasible for our staff to keep up, as well as avoid manual errors, any longer.”

Mary Meek, Loan Operations Manager at GBC, felt that friction daily. If a customer’s bank account information changed, for example, or if they wanted to make an extra principal payment, the manual process ground to a halt.

GBC needed a solution that allowed for:

- **Self-service** for customers with external checking accounts.
- **Direct integration** with the core to eliminate GL tickets.
- **Reduced risk** of check fraud by moving away from physical mail and coupon books.

When Payrailz Pay a Loan was introduced at a Jack Henry client conference a few years back, GBC wasn’t just casually interested. Proctor believed in the platform so much that he worked with his Jack Henry customer relationship manager and sales rep to get GBC signed on as an early adopter.

empowering borrowers, one click at a time

At its core, Pay a Loan is a next-generation, omni-channel payment solution designed to remove the friction from the borrowing relationship. It allows customers to pay their loans – including mortgages and home equity lines of credit – using an internal account, an external account, or even a debit card, all from within a financial institution’s online banking environment.

For GBC, what sets the solution apart is its deep integration with the bank’s core system. Loan information is presented to the user in real time, and once a payment is initiated, it posts instantly.



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Key features of Pay a Loan include:

- **Real-time data:** Borrowers see their exact balance and payment data as it exists on the core at that moment.
- **Diverse payment rails:** Users can choose the payment method that fits their current financial situation, whether moving money between GBC accounts or pulling from an outside financial institution.
- **Flexible deployment:** The solution can be fully integrated within digital banking for a seamless user experience or offered as a standalone option outside of the platform.
- **Customizable controls:** Financial institutions have the power to configure fee options and payment parameters to align with their specific business goals.

GBC's strategy: frictionless payments as a front door

While many financial institutions look at loan payment portals as a simple utility, GBC saw a strategic opportunity. Proctor and his team made a deliberate choice that sets them apart from the competition: they opted out of the “guest payer” feature.

“Pay a Loan has the Single Sign On or guest feature, where a user can go in and make a loan payment through the website each time, without creating an account,” explains Proctor. “But I wanted our customers to sign up for online or mobile banking. I wanted them to see our app, see the products we’re advertising within Banno™, and navigate our online tools.”

By requiring a login through the Banno Digital Platform™, GBC is taking a big-picture approach and is leveraging the opportunity to turn routine transactions into a relationship-building moments. This offensive strategy allows the bank to:

- **Market directly to customers.** Once a loan-only customer is in the app, GBC can show them messages about new checking specials, home equity loans, or wealth management services.



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Mary Meek

Loan Operations Manager, GBC

- **Drive digital adoption.** Marketing efforts encourage users to ditch the mail and embrace e-statements, reducing the bank’s overhead.
- **Expand relationships.** Bringing loan-only customers into the full digital ecosystem simplifies the path to opening new deposit accounts at GBC via OpenAnywhere, Jack Henry’s online account opening solution. It also deepens the overall banking relationship.

While GBC chooses to keep the experience exclusively behind the PIN – requiring users to be enrolled and authenticated within the digital banking environment – many financial institutions choose to utilize both behind the PIN and in front of the PIN (guest pay) options. This choice typically hinges on the financial institution’s specific engagement strategy: whether they prefer to prioritize the frictionless accessibility of a guest portal or the deeper relationship-building potential of a fully authenticated, enrolled environment.

back-office bliss: automation over manual entry

The benefits of Pay a Loan aren’t just for customers, however. For Mary Meek’s Loan Operations team, the move to Payrailz is a game-changer for internal efficiency.

Previously, the team spent hours reconciling manual ACH pulls and processing physical checks. With Payrailz, the integration to the core handles the heavy lifting. “It gives our staff another payment option to offer when customers call,” says Meek. “Instead of taking a payment over the phone or waiting for a check in the mail, we walk them through the Pay a Loan process once, and they’re set for the future.”

The shift has also helped with delinquency management. GBC has noted that some clients who previously struggled to make timely payments are now on a better schedule because the Payrailz digital platform makes budgeting and scheduling payments easier.



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Justin R. Proctor

SVP/COO, GBC

pioneering the future of community banking

For GBC, Payrailz Pay a Loan is just one piece of a larger tech puzzle that includes FedNow[®], RTP[®], and anticipated upgrades to Bill Pay and P2P (Person-to-Person) payments. As the bank looks toward the future, they expect to see a significant ROI as Pay a Loan gains even more users and they eventually phase out the old, manual ACH process entirely.

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For other community banks looking to stay relevant, GBC’s story serves as a blueprint for how to do it successfully: stay rooted in your community, but never be afraid to lead with your tech.

modernize payment channels

Innovate faster with next-gen technology that meets the evolving needs of your accountholders.

For more information about Jack Henry, visit jackhenry.com.