

PegaWorld iNspire

Learn how Navy Federal Credit Union is extending SCRA benefits to Servicemembers with Pega platform

June 2024



Building a better working world



PEGA®

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Your Speakers Today

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With a strong foundation in engineering principles and several years of experience in service delivery and product development, I love to leverage technology to revolutionize products and processes



Roya Johnson

Product Engineering & Development Manager



Deepak Tiwari

EY Financial Services Pega Practice Lead

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Over the years, we've used Pega to transform various business processes , however developing a platform to support Service Members is particularly meaningful to us



About Navy Federal Credit Union

Navy Federal Credit Union is a member-owned and not-for-profit credit union exclusively serving the military, veterans and their families.

Members

13.5 million

DEPARTMENT OF DEFENSE, ARMY, MARINE CORPS, NAVY, AIR FORCE, SPACE FORCE, COAST GUARD, VETERANS AND FAMILIES

Military focused

- ▶ Dedicated VA mortgage loans and servicing
- ▶ Early pay for active duty members with Direct
- ▶ Financial education presentation for military recruits
- ▶ Free Active Duty Checking® and discounts
- ▶ 24/7 support from our stateside member service team

What is Servicemembers Civil Relief Act (SCRA)?

The Servicemembers Civil Relief Act (SCRA) Provides Legal And Financial Protections To Those Who Have Answered The Nation's Call To Serve

History

- ▶ Formerly called the Soldiers' and Sailors' Civil Relief Act of 1940
- ▶ The act has been amended more than 12 times since 1940 to keep pace with a changing military and a changing world, with the last amendments added, in 2003, through the Servicemembers Civil Relief Act.

The SCRA applies to the following servicemembers:

- ▶ Active-duty members of the Army, Marine Corps, Navy, Air Force, and Coast Guard
- ▶ Members of the Reserve component when serving on active duty
- ▶ Members of the National Guard component mobilized under federal orders for more than 30 consecutive days

or

- ▶ Active duty commissioned officers of the Public Health Service or the National Oceanic and Atmospheric Administration

Five protections:

Protection #1: Reducing the interest rate on any pre-service loans to a maximum of 6 percent (NFCU offers 4%)

Protection #2: Protections against default judgments in civil cases

Protection #3: Protections against foreclosure on their home

Protection #4: Protections against repossession of their property

Protection #5: Termination of residential housing and automobile leases without penalty

How Was Pega Leveraged For Servicemembers Civil Relief Act (SCRA)

EY and NFCU collaborated to develop an implementation approach for SCRA on Pega. We optimized existing business processes and drew on industry experience to devise the target state.

Key problems solved:

- ▶ Support with helping ensure compliance with SCRA
- ▶ Avoid penalties and fees by regulators
- ▶ Reduced manual processing errors that can lead to legal risks
- ▶ Extensions (when members go back to active duty)
- ▶ Reduced challenges on SLA, compliance and quality
- ▶ Simplified progress tracking for SCRA cases
- ▶ Better SCRA specialist and members experience

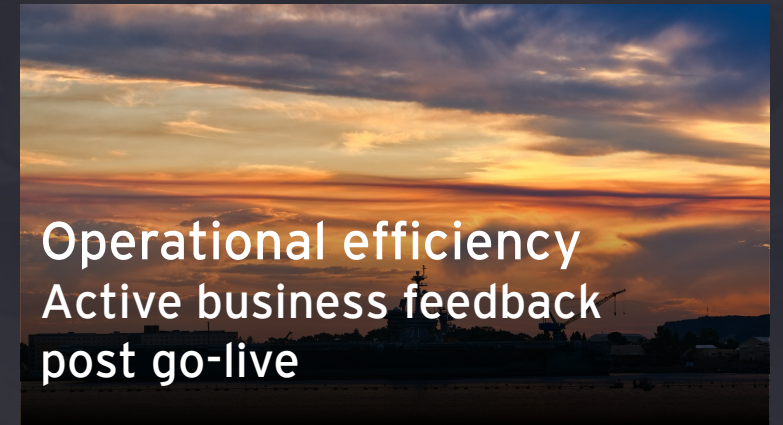
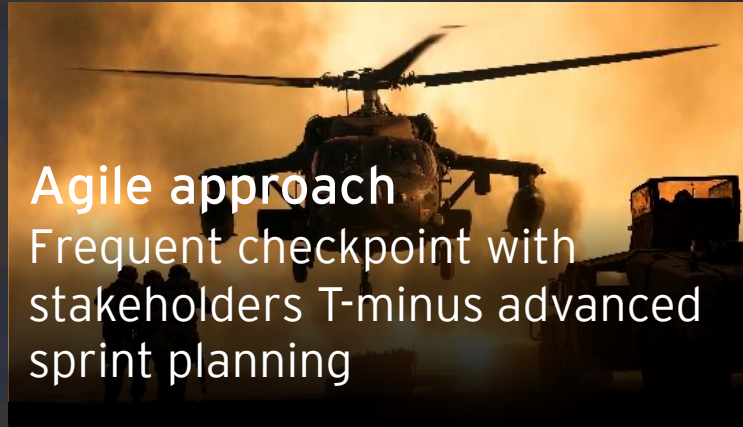
Solution provides:

- ▶ A centralized system that replaces multiple systems and manual processes
- ▶ Business rules engine that simplifies complex member benefit calculations
- ▶ Modern state-of-the-art workflow, case management system
- ▶ Internal audit reviews
- ▶ SLA tracking, compliance, reporting , BIX extract

Key capabilities



Critical Success Factors



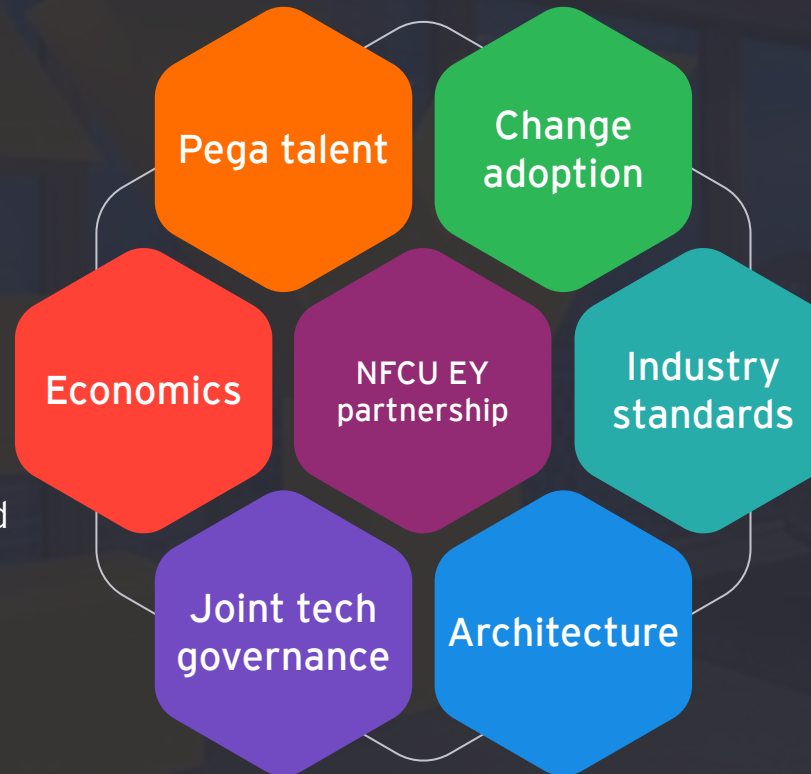
Partnership – EY

EY Brought Pega Talent As Well As Thought Leadership And Successful Experience From Other Large Scale Pega Implementations Including Specific Expertise On SCRA.

- ▶ Experienced EY Pega implementation team with transformation experience
- ▶ Collaborative partnership with broader NFCU tech teams

- ▶ Support in budget management by managing EY fees
- ▶ Optimized team mix to reduce spend
- ▶ Inputs into business case and projected cost savings models

- ▶ Instantiated and mobilized governance forum
- ▶ Critical to help ensure adherence to out of the box



- ▶ Advised NFCU on release plan and overall roadmap
- ▶ Supported mobilization of pilot users

- ▶ Advised on industry best practices in Pega and SCRA
- ▶ Ongoing education to stakeholders new to Pega

- ▶ Led architecture and design new SCRA application
- ▶ Adherence to NFCU tech standards and guiding principles

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