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Harland Clarke Perpetually Prescreened Loans — Empower Account Holders and Increase Loan Volume Webcast

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TRANSCRIPT

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Presenter – Erik Kelley, Senior Product Marketing Manager, Harland Clarke

Speaker 1:   Good day and welcome to the Harland Clarke Perpetually Prescreened Loans Empower Account Holders and Increase Loan Volume conference call. Today's conference is being recorded. At this time, I would like to turn the conference over to Erik Kelly. Please go ahead sir.

Erik: Thank you very much. I want to thank everyone on our line today for attending the most recent Harland Clarke Webinar. Some housekeeping items before we get started, if you have any questions during the course of the webcast, please direct them via chat within the webcast to all the panels, and all of our attendees today will receive a recording of the webcast, a copy of the presentation, and also a copy of all the questions that were asked during the webcast. I'm going to forward here in this slide and introduce our host today. First we have David Buerger, who's Co-Founder and President of CUneXus Solutions, and we also have Stephenie Williams, who's a Senior Market Strategist with Harland Clarke, and with that, I'm going to turn it over to Stephenie.

Stephenie: Thanks Erik. For today, our agenda is to really walk you through an exciting new development Harland Clarke calls Loan Engine. And we're going to talk through how Loan Engine helps with the challenge of optimizing your loan application volume and how this perpetual screening of consumers for loans can help drive loan growth in your institution. We'll walk through those elements and then we'll walk you through a live demo of the software and how it works. And as Erik said, we'd like to be sure that we're hitting on the most important point to each of your institution so don't hesitate to use the chat feature. All right, Matt, great.

Stephenie: We recognize as we deliver solutions to the loan marketplace that everyone is trying to optimize from the return on investment perspective, their marketing dollars and driving loan application volume. Really, the first two segments that deliver the highest ROI are Shopping Customers and Shopping Prospects. The challenge with only going after those

two groups is that the volume of those populations is pretty small. So it's important to look further. The next most logical place is to look at Non-shopping customers and prospects. And really, loan engine helps cover the portion of those non-shoppers that are your customers that are credit-qualified. So that's the focus of the solution that we're going to review today. So how do you grow your loan volume across the entire portfolio? Let's look into a little bit of the solution. First of all, loan engine, it allows you to perpetually prescreen a multitude of products, home equity, auto, credit card, impersonal loans, are the primary products that we prescreen in this process. And it also provides a unique platform both from direct mail, which you're usually accustomed to on the prescreen, but it also is supported with email, as well as online and mobile banking. There are also elements of this prescreening platform that enable the multiple prescreens to be visible to your cellphone banking and your branch personnel. The interesting part, not only does it perpetually preapprove your audience, it also is integrated with risk-based pricing, so while you're going out with an offer for preapproved auto, preapproved credit card, if there are two consumers, and their credit profiles are different, those letters are also different based on rates. So it's more than what most prescreen programs you are running today really accommodate. This program is not only a benefit to the financial institution that deploys it, but when you look at it from an account holder perspective, it really empowers the consumer and drives a greater customer experience. It allows them to recognize: "Hey, my bank recognizes that I'm a credit-worthy borrower, and they're telling me what they would already love to partner with me and fund." As opposed to many customers really toil over, going in to the application process. I read a recent article where consumers upwards at 75%, don't even apply for a loan for fear of not being accepted, not being approved. And there's also similar statistics around consumers' lack of understanding of what their FICO score really means to them when they're applying for a loan. So by having those preapprovals out there, it helps encourage and build the self-confidence of your existing customers and then drive their feelings about their relationship upward, even stronger for your institution. So, what this depicts, we'll go into it further, but it shows you it's as easy for your customers 1-3. 1, seeing the offer on their mobile phone, accepting the offer, and providing their contact information so that they can go ahead and sign and get to closing. The benefit which might be the most obvious about loan engine is that it helps the financial institution reach more customers with more offers and become a 24/7 loan engine to help monetize the investment they already made in online and mobile banking. It increases an average preapproval campaign ROI. And as mentioned before, it delivers a better account holder experience. One of the things that drives the increased ROI, if you consider it today, most of us are running preapprove campaigns that are focused on a single product. By going out with loan engine, those products that might not be able to ROI on their own, perhaps the small dollar, unsecured loans, or it's in some institution, it's a challenge even on credit cards to do a direct marketing campaign. You can incorporate them into loan engine and because of all the offers, the campaigns deliver a higher ROI, and ultimately that delivers as reduced loan costs. The biggest question that we have is we walk and talk about this new product. 'How does it work?' And the way that it works is we begin with your customer-based, or if you're testing the program, you might select a particular segment of customers. We

take that group of customers to the credit bureau, and we leverage what we call a default product offering. That default offering is generally automotive. And the reason you would have an automotive offer is it's a secured product offer, therefore, the credit criteria is a little more relaxed than perhaps a more strict, unsecured product, where you really want be tight and have a higher FICO Score. So we start with that default credit product, we go to the bureau and get a pool of candidates that can be approved based on those criteria. That pool of candidates comes into this platform, along with about 20 credit attributes. So we leverage those additional credit attributes and their current product ownership in order to layer on additional offerings. So if we start on with this example shows, with auto, we layer in credit card, home equity, and unsecured. Now that we have all the offers aside, the fun really begins. That fun includes face-to-face conversations in our branches, our member centers. It includes telephone banking conversations or outbound telemarketing calls. It includes email, direct mail, as well as the exciting additions here to what many are doing; it includes online banking and mobile banking. And so one of the questions that came in, I think it is a good one, is: 'How do we work with clients?' We work with clients to just lay out and discuss their original credit criteria at the outset of this process and we work with them, we partner with Datamix, in order to achieve the credit prescreen process. And then, we program based on the client-inputted criteria. The decision matrix does the additional product assignment. And then we deliver on the email, direct mail, online banking and mobile banking. So really, we are your partners throughout this process. We focus on working with you for developing the creative, so we can get out with the mail, and the email but it's an own composing solution. After all...

Erik: Stephenie.

Stephenie: Yes, go right ahead Erik.

Erik: A question has popped up, one that we feel quite often is: "Which core in LOS system are you integrate with?"

Stephenie: The great thing about this solution is that it doesn't require direct integration with core and LOS systems, the way that it's set up, in the demo and Dave can probably answer this as we get into the demo, but it is set up so that when the customer hits 'Redeem', an email is sent to the loan operations center that notifies you as a financial institution, that for example, Stephenie Williams has redeemed an auto loan. You have the ability to direct that email to either a call center or to a loan operations. In case you want to confirm if it's an auto loan, if I have the title or what dealership they need to work with in order to do the funding, those types of things. So it can be done by email, and I'll let Dave speak to

the core situation as well as the loan operation systems they're currently integrating with.

David: Sure. Basically just like what Stephenie just said, the system doesn't require any direct integration core or LOS, but we are able to both push and pull data from our system if for whatever reason, we want to take a loan redemption and push it into an LOS system, into a queue. We have the capability to do that. And we're working on several providers right now. As far as core integration goes, there's really no reason for core integration with this system. It's developed as a closed loop system without that requirement, makes the whole system easy to deploy.

Stephenie: And on the heels of that Dave, I think, maybe one of the questions of integration into the core is around how the process works and the fact that this is a quarterly process, it is not an account opening where you're going out and hitting a live bureau pool. This is like a prescreened program and is a duration of 90 days. The offers are out there and then we go back through the cycle, refresh all those offers.

David: I like to equate this into a digital business reply. In the past we had business replies in the form of envelopes and statement stuffers that we send to customers and the customers would send back and you would take those in, react to them. Obviously that takes several days to receive that in the mail. This is an instant direct response but we use your existing fulfillment processes and origination processes to ultimately open and fund the loan.

Stephenie: Okay. We're getting some questions in that I think will be answered by the demo, so I'm going to keep pushing us forward. Matt, do you want to advance the slide, please? Some of the questions that we get is we're getting some of the clients is really kind of, 'What should I expect from an approval rate?' and when I'm layering on offers. From an approval rate, what we usually see is about a third of your customer base, depending on whom you target. We find some credit unions have a very specific niche and so based on that specific niche it might be higher or lower. But on average, we see about a third of account holders will pass the default credit criteria. That's your starting universe, if you look at the royal blue at the top of the funnel, that's the starting universe. From that, other offers will be layered on top, and we'll work with you to identify what criteria you want to apply for those offers. But really, as you think about this process and qualifying customers for additional offers, as opposed to a direct marketing campaign where you're really trying to tighten the widget to those people who are the most responsive, in this case, you really want to put the offers out there, to people who are qualified and you would approve. This is a relationship tool again encouraging the customer that you recognize their credit-worthiness and you stand ready to partner with them on their next large purchase. Great… Thanks. And when we go to market, it's really important that this is an example of our go-to market creative, which is templatized. And what's unique and

the reason that we have this set up with the bureau, a single soft pole and a layer all these additional layers on top, is because, what you will see in a second paragraph at the top where it talks about 'Dear Member Customer', if you look at the second paragraph, this is the important component, it says 'You can choose any one of the loans below.' So the way that we recommend going out with this program for all of our clients is a 'One and Done' approach. And what that means, is that in any given quarter, if a customer accepts or redeems one of the offers, the other offers all turn to apply. And we aren't over-tempting customers with credit, and there aren't misconceptions in the process. It's just really clean. Over time, if you want to do risk-based reassessment and only allow them to reduce the number of offerings, this platform of capable of supporting it. But again, we recommend a one and done, you'll see that in the application as Dave walks us through. I want to point at one last notice at the bottom orange arrow, and this is: 'Please note: No taking advantage of one or more of the above offers may affect the status of your remaining preapproved offers.' So we're really clear with the customer, what they should expect. So with that, this is a template for the direct mail and email. And now let's get to the exciting part, I'll pass it to Dave and he can walk us through the online and mobile platforms.

David: Thank you, Stephenie. I'm just waiting for it. Is my screen visible?

Stephenie: Yes, looks great.

David: Terrific. So, what we're going to look at here are a few of our digital banking interfaces, online banking and mobile banking, specifically. And then we can take a look at the cross sell tool as well. First let's take a look at this online banking interface. What we do is we integrate with your online banking system through what you call a single sign-on web widget. That means is that upon logging in to your online banking platform, your customers will have the ability to navigate this interface and will be seamlessly imbedded within that environment. A lot of what you see is customizable from a visual standpoint, but also from a content and messaging standpoint. But you can see, in this case, we're within digital insights online banking platform and we have a tab called 'My Offers'. You can actually name the tab whatever you like. We've named it 'My Offers'. So this is our tab interface. It is a responsive design, meaning any screen size or window size this is going to configure itself to that environment. We have all of these offers here. What I like to start with is just try to envision this from a customer's perspective. This is information that we're looking at here that is frankly unavailable right now to consumers. This is a level of transparency and insight into their personal borrowing power that is unprecedented. We have the ability to log in at anytime of the year, any day of the month, and see exactly how much we qualify over all these various product lines. So this person has 10 available offers. And I'll refresh the screen and we'll look at a different customer.

And with each refresh, we're going to see a different customer within this institution. Now everybody we're looking at has been filtered through the same sets of product criteria, filters, risk-based pricing structures. We're looking at things like total product relationship within the institution, product relationships held outside other institutions, balances, account warnings, flags, loyalty programs, marketing programs, you name it, we can target these offers. They're highly personalized. So, not only does each person has their own set of offers, but if you look carefully at the preapproved loan amount, and the rates, even the available loan terms, all of these things are adjusting with each customer to respect their unique financial situation, their profile, what we call a CRP, or a Customer Relationship Profile. So here we have all these stuff with this one, we have a customer here, they have several vehicle loans available and some, a few unsecured loans. Another great thing about this product is that we can remarket loan products that you may have. In this case, these 3 products, you can see that for the same amount, the same rate, for these products. It's really the same product. It's an unsecured loan, at $10,000. But we've remarketed this product as a student loan, as a consolidation loan to appeal to different needs. So now you are able, and this can be targeted differently. One person can have a personal loan and no student loan offer, while another person might have 2 or 3 of those offers. Again, it is just more personalization. But, let's go ahead and accept an offer. Actually, before we do that, another thing that I'd like to point out, and Stephenie spoke on this earlier, but in this case, you can see the person has a 706 FICO score as of the 14th of January when this campaign started. And they might know that because they signed up for a free credit report through any number of services. But typically, a lot of people know, within few points, work their credit points at any given time but they don't know what that means in terms of borrowing power, until they apply for a loan. So, they might not know that they qualify for $30,000 up 299. But just by presenting them with that information on an on-going basis, you're going to start to condition your customer to know the term when the time comes to make a purchase. They're not going to think to apply elsewhere. If you're going to make your customers apply, you're already setting up a barrier for them and for yourself if they any number of places where they could apply to, any number of choices especially your highest-value and lowest risk borrowers. So…

Stephenie: Dave, as you go through the redemption process, we have a question about if this essentially preseals the application. So as you walk through that redemption process, I think it will be good to talk about how this really can be loaded already into the LOS system or there's truly not an application process.

David: Yes. Absolutely. That's a great point. These are firm offers by FCRA standards. There are certain safeguards in place. Obviously, you are able to verify any number that have been used to extend these offers like income, or debt income, or the attributes used to present the offers but because are these are firm offers of credit, it replaces the need for a

traditional loan application so when it comes to the time to accept one of these offers, we'll accept this auto offer, we can see that we have $30,000 up 299. We can see our payment estimate here. Maybe we just want to borrow $22,000. I can calculate my payment based on that rate and that amount and maybe I'll extend my term all the way up to 84 months. I click on this, you'll notice the APR, and the payment will adjust based on that new calculation. I can see my disclosure here if I like. And when I'm ready for it, I'll accept the offer, I read custom product messaging that's customized to your voice, your brand. All of these icons are also customizable to your brand. I just accept the offer and we can see, in this case, Octavius, was the person who logged in to online banking, we already know who they are, there's no reason for him to fill out any of these information. And it is $22,000 has been carried over from the calculator, he can change that here if he liked. The only data entry he needs to do is provide a callback number or email, some sort of contact information that we know is up to date. Because it's not always up to date in the core processing systems and when he accepts his offer, we want to be able to react to that feed immediately. So he receives a confirmation message, in this case, the simple message, saying his auto request has been received. This window, this confirmation message is custom to each product. So each product has its own unique message. And this message can include things like link to certificates to take to auto dealership, or maybe you want to cross a gap policy or something in this. You have the ability to craft your message here. But when I click off of that, you can see the offer's been redeemed, and what we call Risk-based Reassessment has occurred. Meaning, immediately upon redemption, all these other offers have been instantly reassessed based on rules defined within the system, in this case, my rule said that Octavius could only have one vehicle loan during the course of this campaign and he still qualifies for personal loan. Now, as Stephenie mentioned, we recommend going to market with what we call the 'One and Done Approach', meaning they can accept any one of these through the course of the campaign, and the rest will turn to apply button until the next prescreen occurs at which all offers, the total relationship is reassessed, and a fresh batch of offers are presented based on that individual's new situation. So what happens…

Stephenie: Before we move on from this, there is a question about the credit score, on the back band in the upper left, is that a standard part of the offering?

David: It is an optional part so within our controls on the backhand, you can choose to display that depending on the bureaus you will use to gain permission to do that in order to share that to your customers, you need the bureau's permission. But it's there should you want to use it. What happened when I accepted the offer was the lead came to my call center or loan center, and here we can see Octavius accepted $22,000 of his $30,000 preapproval for the new auto. And I know that you selected the 84-month term at $349. It came out of my online banking website. And here's his phone number and everything I need to react to that lead, so right now, I'm picking up the phone and I'm calling Octavius and I'm

saying, 'Mr. Bert, I understand that you've accepted your auto loan. And I'm happy to take on that request for you right now.' And then you move in to your existing funding, account opening process. We've established a very hot lead that you can react to at the moment, and that he's interested in this product. Something to take into consideration is the fact that this is an omnichannel solution. And when I say omnichannel, it's a buzzword that's thrown a lot in the industry right now. But we truly integrated every touch point. And every touch point is communicating each other in real time. Meaning, when I accepted this new offer within online banking, if Octavius was to log into his mobile banking account to view his offers, that offer's already redeemed and this new situation is reflected there as well. If you will call a branch or the call center and the service representative was to look up his account, it's also marked as redeemed. And it's being tracked behind the scenes and the whole metrics or dashboard that you can view at any time to see how products are performing. Let's look at another few interfaces here. This is what we call our compact widget. It's the exact same type of functionality, but we can squeeze into a smaller, real state within an online banking system, and in this case, the widget and the customers have the ability to put this widget on the very first screen the customers see when they log in the account summary screen. So this would appear right under where the checking account balances are and things like that nature. So it's in the front center, and it has the exact same capabilities that can accept the Visa card offer, very quickly right from this compact interface. And they're done. Much, much easier than a loan application. 10 seconds, and I'm finished. It's a completely new customer experience that we can provide for your customers. And the same…

Stephenie: In talking about the loan application, how is this really set up to integrate well with the LOS system? Can you walk through that?

David: Sure. There's a few ways that we can integrate with your current processes. At the most basic level, which is frankly what all of our customers are using right now and very pleased with, is the process I described where the lead arrives in the loan center and they fund it using their existing LOS. In many cases with certain LOS systems such as MeridianLink, we can preload these offers into the LOS, so what will happen is, at the outset of any new pane, you'll receive a file we call an Append File. The append file is formatted specifically to load into the LOS so that all of these offers are already in there, waiting to be activated, as a preapproval. So when Octavius, if this is again a MeridianLink client, accepted his loan offer and that lead came in, the loan officer could look up Octavius' account on the LOS, and that auto loan is already there. And when the loan officer activates that loan, it bypasses all of the front-end applications steps, the manual steps, and moves straight in to the account opening, and the funding, and the document part of the process. So we can bypass certain steps. And then other things that will work in on the LOS systems and there are many out there obviously, is the ability to instead of having that lead come in as an email or PDF, we can push that information into

any system, including an LOS Queue, so that it just queues up in your normal ending queue and you can see it come in and react to it from there. Those are the main integrations we're working on right now with LOS. Long term, maybe if we have time today, we'll look at some of the advanced capabilities such as document creation, and e-signatures built into the mobile interface, and we're in beta right now with that, we should be rolling out pilots in the next few months. But with the end goal of actually going to fund certain loan types at point of sale on the mobile device. And that is really game-changing in allowing you as an institution, as a lender, to be present at point of sale and help your customers convert loans, rather than having them opt for retail financing or dealership financing. It inserts you into that physical location where they're transacting. Did I answer the question?

Stephenie: That was great. Thank you.

David: Okay. Let's look at the mobile. Let me see if I can get my phone up on the screen, a couple of seconds if that's going to work today. And if not, we'll proceed. What do you know? Okay. So first thing we're going to look at, there are two ways we can integrate mobile, and that would be through a web-based single sign-on, just like the online banking single sign-on, we have a web-based widget that can be inserted into virtually any mobile banking environment. Single sign-on in the same way the online works, so that upon login they can navigate to this page and they can see all of their offers. The experience that they have with this, redeeming their offer in this web-based page is identical to what we saw with the online banking although we did add this direct call button, which allows them to just tap that button, if they're on a mobile device, and it will dial the number that you'd like it to dial for customer service. This is again a responsive design. So if this shows up in a tablet, instead of a phone, it's going to recognize that and that button will disappear and be replaced by a text-based version of your phone number. So in which way we present this, it's going to adapt to its situation. And that's interesting. So let's accept an offer through here, accept the new auto. I forgot to refresh. All right. We'll accept the new auto, it times out after about 10 minutes. We can read about the product. Again, we can calculate our loan amount based on what we're interested in. In fact, type of experiences we've had before, and calculate our payment down there, agree to the terms and conditions, accept the offer, and then enter my phone number, which we can in the case of mobile prepopulate because it is actually on the device, so we're pretty sure that's where they want to be called back. But you could see that, imagine I was at the car dealership, and I was able to remember them, they're approved for $40,000 and accept that offer in just seconds. That's what it takes to be competitive, that point of sale on the mobile device. If you're trying to get someone to fill up a mobile loan application, or even in the instant applications where they can scan a driver's license and prefill, it's still an application, it's still a barrier to doing business with them, that point of sale. The perception is that it's going to take too long, that I'd rather just go with that dealership

financing or retail financing. This allows you to capture that lead within a matter of seconds. It is an acceptance, rather than an application. The other way we can integrate with mobile is through what's called a native integration. And in case of native, there's a few ways to do this. When I say native, that means we integrate our code into your mobile code base so if you have a custom-built mobile banking platform that you either built in-house or you had built custom for you, there are advanced features that we can build in that really add value to the solution, including what we have here, a geo-fenced offer notification. Now imagine on to that dealership as a customer, and we're able to push a notification saying 'Remember, you're already approved for $40,000 and I know you're in that Jeep Block right now.' So let's push that notification to them, and have them log in to your native app, I'm going to log in to my demo app here. And again, same visibility into the offers and we can accept the auto offer, and we can even add things like a VIN scan. So let's scan a VIN on a Jeep, because we're at a Jeep dealership. Now to return the information about the Jeep that I'm thinking about buying, and the notice it's a new vehicle though it's skipping the condition and mileage, and it's giving me the admin's true market value of the vehicle, which is the amount that other people pay for that same vehicle make, model and options within a radius of where I'm standing at this very moment based on my GPS coordinates. Now, default to that, and it's telling me that I only need to pay just an average of $22,112 for that car. The sticker price on the car, I took this vinyl from over $23,000 so I know that I have some bargaining power and it's calculating my payment based on my already approved $275 rate and 60 month term. Maybe I want to change my term, I can do that, it can recalculate, and maybe I can get a better price. I can calculate, anywhere on this sighting scale. So maybe $408 is what I'm willing to pay and it's also pulling in my sales tax rate locally. And I can add a down payment. This is just an example of some of the things that we can do when we have an already preapproved offer on the table. Now you can add value and help your customers at the point of sale make a live purchase. So now I know with all of my adjustments, loan amount is $16,200. My payment's $273, and that's within my budget so I'm going to go ahead and accept this offer. I'm going to take a photo of my driver's license or proof of income, or whatever documentation you might require or you can skip that step. And now, when this lead comes in, in a minute, or in a few seconds, when the lead is sent and generated to you in your loan center, you're going to know exactly what vehicle is being purchased, by who, you're going to know what dealership they're standing in, the VIN number of the vehicle, the true market value, and the purchase price. You know everything you need to know to call up that customer on the lot and say 'I see you decide to purchase the jeep. Looks like you got a great deal. We're on the other line with the dealership right now arranging your financing. Hold tight and we'll make this an easy process for you.' So that's another example of how we can add value to this program and help you be present where you're at the point of sale and there for your customers. If I can get this off the screen, that will be a challenge. While I get this off the screen, are there any questions that we can address?

Stephenie: Yes, Dave. There's a question that came in, and I might need further definition from the

requester. It was asking about 'Are the calculators customizable to include debt protection?' and I'm assuming that's a different pricing scheme if it includes different tiers that include that protection. We could absolutely program for that the way pricing is set up and the platform. If that's not the way the question is intended, if you're speaking differently, please resubmit your question.

David: Yeah, there are different things we can do to customize these interfaces and add values but there would need to be some sort of hard equation to get to that number so it can be calculated accurately. The calculators are also meant not to get an actual loan amount, it's really there so that your customers can get a better sense of what they might actually pay, before they sit down in the finance office, or before they make purchase. Auto case is just one of the few case where you can imagine each product type is going to have a different nuisances to the fulfillment process and some of them will have calculators, some of them will not. We're even looking at things like skew scanning of barcode of retail items to return competitor pricing. So if you're standing in one big box retail or looking at a TV, for instance, you can scan that barcode on the TV and see what the big box retailer across the street is selling that same unit for, so that you can be sure you're getting the best deal. Does that add value to the financial institution, to the lender? Yes and no. But it certainly adds value to the consumer and it will help them make that purchase and they'll thank you for that. For you, it gets them inside of your app, and using that as a utility that helps them make wise decisions.

Stephenie: So before we get close to our Question and Answer, we're going to try and look at what it's like for the tellers and your branch personnel when a customer's in front of them, identifying what offers are available to them.

David: It's a very similar process to what we saw online. These demos tend to get a bit repetitive, and that's because we designed it that way. The process is simple for your sales team to walk through redemption or cross sale as it is for the customers within a self-serve environment, online or mobile banking. The difference is that in this case, Ben, our salesperson, upon logging in, he could see sales activity and he'll note that he has zero sales today. And this leaderboard will show the Top 10 salespeople in the organization for the month we're in. So Ben can see how he's performing against some of his peers. And that's good for doing some friendly competition and maybe the top 10 at the end of the week get a gift card to Starbucks or something. But the process is very simple. We look up our customer, and we'll be placing account alerts in your core or in your CRM so that your sales team will know if, in this case, Blaire has preapproval, they'll know ahead of time before they look up their customer. And in this case, it looks like they've already accepted a Visa card. I still have some other things available, so I'll look up another customer, I'll just show you how easy it is to accept an offer. Now, maybe Lev walked

into the branch carrying a motorcycle helmet and now our salesperson can key off of that and make an offer confidently. They can say 'Looks like you like riding motorcycles. Did you know you're preapproved of $30,000 Motorcycle Loan? That's a very fancy motorcycle if you're interested in buying a new one or refinancing the one you have, I can take care of that for you right now. You don't even have to fill out an application.' So the confident sales pitch delivered based on a very simple cue, and we have all these different offers here that we can use to cross sell. So just like the transparency we talked about your customers before, they never had that array of options available to them. Your sales team never has either. This is a great tool for them to be able to use, to do their job even better. So if Lev says 'Yes, I want that motorcycle.' We just click through, down to loan term, and enter some optional information, we can attach proof of income, dated income, and all of these are optional. And we just click 'Finish' if it's correct. And now, that lead goes off to wherever we want, Ben leads to go, maybe that's the loan center, maybe that's the MSR or some sort of sales representative at the branch level, and now Ben has credit for that sale. And then we can track Ben against all of his peers, and also, Ben's in Branch 1, how he's doing against Steve in Branch 3. And all of those offers, that motorcycle will be marked as redeemed instantly on online and mobile banking. So if Lev logs in, that new situation has already been reflected in all those channels. I think that just covers the general side of it. There are other interfaces and other features, but I think we wanted to leave some time for some questions. And…

Erik: Very good, Dave. We are at about 10 minutes from the top of the hour. And we do have quite a few questions. I'm going to start getting into those with you. The first one off is a concern about the mobile with usually clients that see the software through mobile, our young clients that have no credit experience. How would you address that question?

David: I can take that one, Stephenie. What happens in the case of all these interfaces is if somebody is not qualified to receive any offers, and generally we see on average anywhere from a third, even up to as much as 50% of any given customer base, is credit qualified to receive one or more offers. But in the case of those who are now, we have what we call default or no offers messaging. So what happens is this entire screen turns into a blank canvas for presenting other types of offers that might be links to apply for a loan, or might be a non-credit offer, a checking account offer or a deposit product, or any special that you might have going at any given time. So nobody is presented with a negative experience. Rather, you still have an opportunity to either sell something or serve that customer.

Stephenie: You know, Dave, I think it's also an adjacent topic to that question that we get asked. Right now, I think that what you said you're seeing while it's on the rise, you're seeing 30% of the redemptions on this product, we're seeing through online and mobile. With

the 70% in the traditional veins, but clients that are on this platform are experiencing growths in that 30% redemption online and mobile.

David: That's actually true. We're seeing people coming back to this interface, not necessarily accepting offers every time they come here. But they find value in seeing this, in knowing where they stand at any given time. There's a PSM, a Personal Financial Management aspect to this, this is valuable information to them. And so they come back and those channels are growing. And mobile will be the new frontier in banking or is. And if you are not able to monetize that channel, every time somebody deposits a check with their mobile app, rather than walking to a branch or an ATM, right now you're missing an opportunity to cross sell. And what we can do is we can give you the opportunity to sell your most profitable products right out of that mobile device. 5 years from now, I think we all know that mobile will be a dominant force as far as the channel is concerned in banking.

Erik: I'm going to direct the next question to Stephenie. The question is we currently have credits with Harland Clarke through our check program. Can these credits be used for this product?

Stephenie: Yes. Credits are set up in many different ways but this product is something you can apply credit support.

Erik: The next question is what value does Harland Clarke provide beyond going to the credit bureaus directly?

Stephenie: The value that we provide in this process is an all-encompassing solution for many institutions that I myself in the past, as a Loan Product and Marketing Manager, were running these programs time and time again. And when you think about from start to finish, everything from setting up the bureau criteria to going to the bureau audit, that whole process, you are end-to-end, maybe 8-10 weeks. With this process, once Harland Clarke helps set the process in motion, we are managing that process for each quarterly drop and simply requesting inputs from the part of the bank. Additionally, when it comes to the integration with your online and mobile provider, we're managing that process, we've all been through the process of trying to allocate key resources, we take that burden out by looking to plug in directly from Harland Clarke into your mobile and online banking providers.

Erik: The next question's that come up, and I'm not sure if Dave covered this earlier, the question is, 'Can we automate the redemption process to create the application to begin the process instead of manually having to process the redemption?'

Dave: I guess I was muted. We're in pile with that right now. So in our beta, I'll walk through that screen capture of that, so you can see where we are with that. You see this Holiday Loan presented at the mall in December. They clicked on that loan. I'm going to skip through the parts that we've already seen, the same redemption process. They're going to now enter a phone number and then you'll see after she enters her phone number, that we can actually generate closing loan documents. We'll take the documents, we'll populate those documents using the customer-entered values that they entered how much of the loan they want, what loan term, and we'll generate the document that we can present for e-signature directly within the mobile interface. And that will provide you with not full automation, but when you receive this lead, you'll have fully compliant, signed loan documents. You'll have with an auto trail, so they're compliant, you'll know where they are, how much they need. And after she signs here the document here, she can even indicate where she wants those funds deposited. So, very quickly, we're moving towards full automation of certain lending processes. And there are certain challenges in that that we're addressing along the way. But we absolutely will get there and our clients will benefit from those ongoing innovation.

Erik: The next question for you, Dave, is two-parter, 'Is the Geo-fence option included or is this an additional option that can be added?' and the second part is, 'How are the Geo-fence location set up and is there a limit?'

Dave: There are 2 ways to integrate Geo notifications. We can integrate them into any native integration, meaning, if we are using our code and inserting into your custom mobile app or if you're using our White Label credit concierge app, which is another available interface, you can use our Geo notifications. They're set up. Right now, we can target any type of retail location, for instance, the car dealership. We've already Geo-fenced all old and new car dealerships virtually, in the continental US. And they're set up so that after 5 minutes of walking into one of those lots, after you've been there for 5 minutes, it will trigger the alert. So people aren't just driving by and receiving alerts. Same thing can happen with the home improvement stores or shopping malls. It's really up to the clients. Digital-insight clients have the unique ability right now to leverage digital insights, geo-fencing capabilities for our standard SSO, web-based integration. So when we talked about web-based, the only way we can use, if we're going to do a web-based integration, the only way we can provide a Geo-fence is if the host platform provider has those capabilities, in this case, digital insight desk, I think FIS will soon have that as well.

Erik: I think we have time for one more question here. It's 'Are you able to integrate with DocuSign, for signing of the disclosures?'

Dave: Right now we work with Solanis. Our pilot is Solanis. And we're already in discussions with DocuSign to do an identical experience for DocuSign as well. So we're going to get through Solanis first, get our pilots out, get our learnings out of that, and then implement DocuSign thereafter.

Erik: We are at the top of the hour now. I'd like to thank all of our attendees for the webcast today. And if you have any additional questions, please feel free to reach out to your Harland Clarke representative. And again, for all of our attendees, you will be receiving a copy of this presentation, a copy of all the questions that were asked, as well as recording of the presentation. Again, thank you very much. Have a good day!

Speaker 1:   This concludes today's conference. Thank you for your participation.