

# Credit Union Boosts Loan Portfolio by \$2.8 Million With Help of Predictive Analytics and Targeted Communications

## Marketing Services Success at a Glance ...

- Alongside other marketing efforts, loan-to-share ratio increased by nearly 10%
- In just three months, captured \$2.5 million in auto loans, with additional balances in both HELOC and personal loans, for a program total of \$2.8 million

*"The results of Harland Clarke's Refi Genius™ solution were outstanding. We not only grew our auto lending program, but our HELOC and personal loans as well."*

Tara Smith, Vice President of Retail,  
Orion Federal Credit Union

### Background

Orion Federal Credit Union is a \$534 million financial institution, based in Memphis, Tennessee, with about 50,000 members. In its footprint of Western Tennessee, Orion needed both analytical and marketing programs to help grow its lending base, which was at a level below credit union industry averages.

### Challenge

Orion's loan-to-share and member borrower ratios, key metrics in the credit union industry, were about half that of the industry average.\* With auto interest rates historically low, Orion wanted to attract more borrowers, but needed assistance in developing and promoting its refinance offers. The credit union also needed to ensure that its marketing spend was effectively allocated.

### Solution

As part of its Refi Genius™ solution, Harland Clarke initially conducted an analysis of Orion's member base to help the credit union determine which members had the greatest potential for refinancing. Refi Genius used complex, proprietary modeling — based on Orion's margin requirements and underwriting parameters — to evaluate members' current loan payments and other variables. Harland Clarke then wrote business rules, specific to this data, enabling Orion to develop individualized offers with monthly savings. The resulting member profile was used to pinpoint prospects currently borrowing from other financial institutions. For a more comprehensive view of the lending opportunity, Harland Clarke

also examined six months of competitive offers using a database that tracks direct mail, print advertising and online banner advertising. This effort helped to ensure that the credit union's refinance offers resonated among members and non-members, encouraging them to refinance their loans with Orion.

\*U.S. Credit Union Profile: Mid-Year 2013, CUNA Economics & Statistics

Refi Genius features advanced analytics, direct mail printing and fulfillment, as well as email, call center support and program performance analysis.

With a more granular view of qualifying members' and prospects' lending profile — as well as competitors' offers — Harland Clarke implemented a direct mail response program that featured personalized savings amounts, generating high response rates and optimum results.

## Results

With Harland Clarke's marketing expertise and the loan recapture capabilities of Refi Genius, Orion now has a way to draw more customers to its auto refinance offering. The combination of advanced analytics and eye-catching creative has helped the credit union dramatically grow auto loans. Over a three-month period, Orion has closed \$1.4 million in auto loans to members and another \$1.1 million in yh bn ybnauto loans to non-members.

Promoting its auto refinance program also gave Orion more cross-sell opportunities as customers and prospects — prompted by the refi mailing — inquired and applied for other loan products. As a result, Orion:

- Increased its loan-to-share ratio by nearly ten percent
- Increased its borrowers-to-members ratio by more than a full percentage point
- Achieved campaign response rates of roughly six percent for members and one percent for non-members
- Realized additional home equity lines of credit and personal loans, bringing total lending for the program to \$2.8 million

In addition to meeting objectives to grow auto lending and increasing its overall loan portfolio, Orion is now well on the way to closing in on national averages for loan-to-share and borrower-to-member ratios.

*Institution size, assets, campaign results and statistics based on client data. Many variables impact marketing campaign success. Information on earnings or percentage increases that is contained within this case study is provided for demonstrative purposes only. Harland Clarke does not guarantee or warrant earnings or a particular level of success with a campaign.*

To learn how Harland Clarke can help your financial institution with a comprehensive loan marketing approach that meets your lending objectives, call **1.800.351.3843**, email us at [contactHC@harlandclarke.com](mailto:contactHC@harlandclarke.com) or visit [harlandclarke.com/LoanMarketing](http://harlandclarke.com/LoanMarketing).



*Harland Clarke's Lifecycle Marketing Solutions — powered by advanced analytics, insightful data and award-winning creative designs — drive engagement and profitability at every stage of the account holder relationship.*

*Through effective acquisition, onboarding and cross-selling strategies, we help our clients achieve primary financial institution status with their account holders.*

### Acquisition

Reach prospects with targeted, effective communications that encourage new account openings and set the foundation for strong relationships

### Onboarding

Use relevant account holder data to deploy multichannel communications that effectively transition new account holders into satisfied, loyal customers

### Cross-sell

Increase the number of household products to capture full profit potential