

## Bank Boosts Direct Lending With Loan Refinance Program

Refi Genius™ helps tap HARP-eligible recipients with refined data analysis, effective messaging and highly targeted offers

### Background

A large regional bank with more than \$10 billion in assets wanted to capitalize on recent changes to the federal government's Home Affordable Refinance Program (HARP), which helps homeowners refinance their mortgages to lower rates even if they owe more than their home is worth. For the bank's direct lending unit, HARP was a tremendous opportunity to grow its mortgage loans.

### Challenge

Growing its loan portfolio was a priority for the bank. In addition, the institution wanted to maximize its call center capacity. Executing a HARP promotion — targeted to non-account holders — appeared to be a great opportunity to reach both goals.

### HARP Conversions at a Glance:

- **More than 300,000** pieces were mailed over a 15-month period
- Generated more than **\$120 million** in loans
- Loan conversion rate was **five times better** than competitor's marketing list

The bank had initially purchased files from a list services provider and developed mailings itself, but response and conversion rates were disappointing.

### Solution

Harland Clarke's Refi Genius™ loan refinance program was an ideal solution. First, the Refi Genius program used predictive analytics to identify HARP-eligible prospects in three of the bank's major markets by looking at their loan origination date, remaining balance, home value, length of residence and other factors. Then the program determined which of the eligible prospects had a high probability of responding to the HARP offer.

The bank also turned to Harland Clarke's award-winning creative team to develop bold messaging, which was critical to converting interest into action, and, ultimately, into applications and booked loans. A strong call to action enticed potential customers to phone the bank for more information.





The program began with small, focused, weekly campaigns in order to pace the flow of calls to the call center. The campaigns were measured on a regular basis to assess effectiveness, applying a test-and-learn approach — a Harland Clarke-recommended best practice. The team adjusted the targeting criteria every couple of months, testing new approaches and implementing better strategies.

### **Results**

The mailings to HARP-eligible borrowers in the first 15 months helped the bank generate more than \$120 million in loans. By working with Harland Clarke to identify eligible HARP borrowers in its markets, the bank was able to concentrate on selling its new loans and reaping the revenue, grow its customer base and ultimately make a difference in the communities it serves.

The bank, in an attempt to further improve upon its results, tested the program with another provider only to see results decrease dramatically to just 20 percent of those achieved with the Harland Clarke program. It quickly discontinued this test and resumed the program with Harland Clarke.

The bank has since engaged Harland Clarke to implement Shopper Alert™, a data-driven loan acquisition solution that targets consumers when they are shopping for loans. With continuous monitoring of credit bureau files, Shopper Alert enables financial institutions to send a pre-qualified offer to consumers within 24 hours of alert of an inquiry into any one of the three leading credit bureaus.

## What this means for you ...

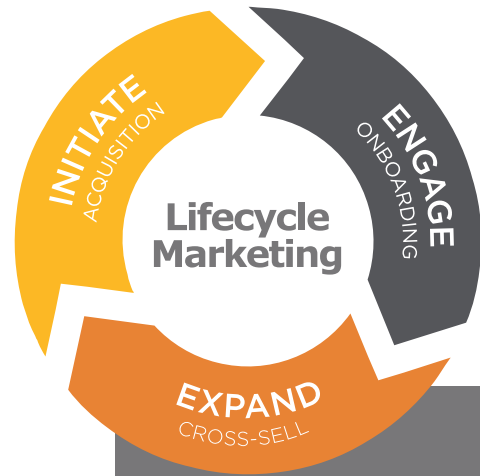
**Boost loan volume.** Harland Clarke's advanced analytics, best practice creative from its award-winning team and highly effective direct mail services will help you quickly meet your loan generation goals. Our streamlined, yet comprehensive approach greatly simplifies the process of generating new loans.

**Court new households.** By targeting the acquisition of new mortgages with prospects outside your institution, you create an opportunity to attract both new households and loans. You can capitalize on the goodwill generated by assisting those borrowers who need to refinance and open the door to cross-selling other products and services.

**Make a social impact.** Despite the recent recovery of the housing market, many homeowners remain underwater with their mortgages. HARP and your institution can make a difference in the community by providing people a way to stay in their homes.

*Many variables impact marketing campaign success. The 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's Refi Genius can help your financial institution grow its loan portfolio, call **1.800.351.3843**, email us at **contactHC@harlandclarke.com** or visit **harlandclarke.com/RefiGenius**.



*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