

Loan Magnet™ Achieves Dramatic Results for Bank's Home Equity Program



Background

A regional bank with more than \$10 billion in assets and 200+ branches was interested in expanding its loan portfolio with both existing account holders and prospects. It felt the housing market was showing renewed strength and that the time was right to aggressively market home equity loans. In addition to growing its portfolio, the bank wanted to give qualified borrowers the opportunity to leverage their home equity to increase spending power.

Challenge

In the past, the bank had conducted home equity direct mail campaigns once a year. Results were fair, with an approximate 0.6% response. The bank wanted to try a different approach that would drive higher loan acquisition numbers and perhaps also boost deposit balances.

Solution

To maximize the bank's marketing budget, Harland Clarke recommended Loan Magnet. Through predictive modeling, Loan Magnet identifies prospects and customers who are most likely to say "yes" to a new loan offer. In this case, the modeling incorporated dozens of local and market data points to pinpoint homeowners with a certain level of home equity who also met the bank's credit criteria. Preselected offers were sent to qualified account holders and prospects.

The branch nearest each potential borrower received market-specific leads so that phone follow-up could begin right away.

Results

Loan Magnet produced a 2.2% response rate — almost four times the bank's prior loan acquisition marketing programs. The program also generated \$111 million in new loan balances, \$14 million in new deposits, and thousands of new customers.

These dramatically high numbers exceeded the bank's expectations, underscoring the importance of marketing loans to both customers and prospects. Interestingly, while existing customers had a higher response rate, both prospects and existing customers booked an equivalent amount of loans. Because of the strength of the response, the bank has decided to increase the number of future Loan Magnet mailings from once a year to four times a year.

More than
\$111 million
in loan balances

\$14 million
in new deposits

3.6x increase in
response rate -
from 0.6% to 2.2%

2600% return on
marketing investment

To learn how Harland Clarke can help your financial institution improve loan marketing results, call **1.800.351.3843**, email us at **contactHC@harlandclarke.com** or visit **harlandclarke.com/LoanMagnet**.



Harland Clarke

Lifecycle Marketing

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.

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