



**Harland Clarke Loan Engine Webcast 08/19/2015**  
**Perpetually Prescreened Loans — Empower Account Holders and Increase Loan Volume**  
**TRANSCRIPT**

**Presenter:** Erik Kelley, Senior Product Manager, Harland Clarke

**Presenter:** David A. Buerger, Co-Founder and President, CUnexus Solutions, Inc.

**Matt:** Good day and welcome to the webinar. Today's topic is titled Empower Account Holders and Increase Loan Volume. This session is being recorded and will be provided to you along with the presentation deck in the next few days. I will now turn the call over to Erik Kelley, Senior Product Manager with Harland Clarke. Mr. Kelley you have the call.

**Erik:** Thank you, Matt, and if you forward on to the next page here, we're going to do a little introductions first. You will see there we originally had Stephenie Williams as our presenter, but she had a last minute conflict and I'm stepping in for her today, and hopefully capable hands. As Matt mentioned, I'm the Senior Product Manager here at Harland Clarke Marketing Services. I bring solutions for banks and credit unions across the country to market. I have over 20 years of experience in bank marketing with large and mid-sized financial institutions across the country. Dave, want to give a brief introduction to yourself?

**David:** Sure, my name's Dave Buerger. I'm co-founder and president at CUnexus Solutions. We are the software development firm that is behind this solution. I worked in the credit union industry for about a decade prior to cofounding this company. I have a lot of client-side knowledge that has gone into the development of the product that you'll see today.

**Erik:** Thanks, Dave. Moving on to the agenda for today, we are going to briefly discuss some of the challenges of loan value optimization in the industry; how perpetually prescreened loans can drive healthy loan growth. Then the exciting part that many of you have registered for and are going to be interested in seeing is going to be the live demo of our solution today.

Moving on to the next slide here, Harland Clarke offers many different solutions to help drive loan growth for both banks and credit unions. They're listed here; we have our loan trigger program called Shopper Alert; excellent program. We have Refi Genius, specifically focused on refinancing. We have Loan Magnet, which is a solution for acquiring prospecting loans. The solution we are going to talk about today is Loan Engine. It's perpetually prescreened for multiple loan products.

With Shopper Alert, this is a relatively new concept in the marketplace. We've had it out, beginning of this year. What it does is it's a fast, market-proven

engine to drive loan growth across multiple product categories. We are going to get complete opportunities to market all of your loans that you have available for sale; preselected so you're only going to be marketing to those that meet your credit criteria. It's accessible within online banking, making it unique and more customer-friendly for your customers and members to interact with the loans that they have available and been approved for. It can be fully branded within an app with your logo etcetera.

Moving on, I mentioned before all the different opportunities for acquiring new loans through Harland Clarke. This graphic here illustrates both the population available to market to, as well as the response and the expected return on your investment. At the very top is our Shopper Alert solution. That targets consumers that are actively in the market, applying for loans at this point in time, could be today. You'll be able to market to them and get out in front of that consumer before they close that loan with a competitor. You'll find that that achieves the best return on your investment, but unfortunately that is a relatively small population and may not help you achieve all the loan growth you'll need to meet your objectives.

The next step down there is expanding Shopping Alert to prospectors in your trade area. Again, these are actively shopping consumers and you're broadening your targeting population to a wider audience.

The third one down there is what we're going to go into more today, and that's Loan Engine. These are your account holders. Your customers and members that you're monitoring and are able to preapprove them for all the loans that you have available for sale and give them the purchasing power. The knowledge at all times of all the credit they have available to them and deliver those offers in ways that are as friendly as possible.

Finally, at the very bottom, is your largest audience. That's going to be preapproved offers to pure prospects that could be an extremely large population. The downside is it's likely going to generate the lowest response rate, the least optimal return on your investment.

Moving on then, what you'll see here is a little bit of an overview of what the solution does. I mentioned before, you're going to perpetually prescreen the offers for loans on a quarterly basis. It can be home equity, auto, credit card. Any number of personal loans such as a motorcycle loan, an RV loan, student loan, a tax loan, a debt consolidation loan. Any type of loan that you can dream up that you want to sell and be able to market, we can include it in this solution.

We cover more channels than what are traditionally done. Traditionally, loan marketing with a preapproval is done almost exclusively through direct mail

only. In addition to the direct mail, Loan Engine is able to deliver that offer by email. It's going to be within your online banking application, it can be within mobile, it can be at your call center or even on your teller line to allow your customers or members to accept the offers. It's an integrated risk-based pricing automation or risk assessment. What we mean by that is we integrate your credit criteria for underwriting purposes and what we highly recommend is what we refer to as a one-and-done.

The consumer is going to be presented with multiple offers. It could be 5, 6, or 10 offers. They can accept one of those offers, and at that point the remaining offers are going to be grayed out and become an "apply for" message at that point. Later, during the demonstration we'll show examples of how that might all work.

Moving on here, I'd like to say with the solutions this offers the ultimate lending experience for your consumer. Where they can look on their mobile app, view all their offers, accept them on their mobile device, and submit that loan for processing to your underwriter department. Matt, if you would move forward.

A lot of the benefits for financial institutions; there's a couple on here I really want to highlight. The first one especially, it's going to drive revenue from multiple product categories. You have many loans, typically, that you have available for sale that get no marketing attention whatsoever because you don't really have them prioritized high enough that you're going to invest your marketing dollars into marketing them. What this solution is going to allow you to do is include those additional loans and your accountholders may not even be aware that you offer; an RV loan, or a boat loan, or a motorcycle loan, or just a personal debt consolidation loan. You can be educating them that these are loans you have available for sale and broaden their knowledge as well, of what you have to offer.

Another one that's really critical here, is it's going to really increase your campaign ROI by exposing your accountholders to all of these loans. You're going to get a lot more loan growth by doing so through all of these easy to accept channels. Again, it's going to provide a much improved accountholder experience through the entire process.

This illustration here gives you a quick snapshot of how the process works. We first start out by segmenting and targeting your accountholders. We run them through a quarterly screen. We are going to check the individuals against your specific product lending criteria. We'll compile the personalized offers for each one of your accountholders. Deliver those offers through, essentially, every possible channel available; like I said before, through mobile, through email,

through your online banking solution, through direct mail etcetera. Then we are able to convert all those preselected leads into funded loans and then turn that around to provide you full campaign analysis of the results of the program.

This next slide here is talking through the process of the prescreening. What we show through historical results of all the programs that Harland Clarke has done in the past, is that about 30-35% of all of your accountholders are going to pass the criteria for the default offer. The default offer is, we're going to go to the bureau and prequalify them for one specific solution to begin with. Typically we highly recommend to start with an auto loan. It's one of the most commonly acquired loans out there. It's going to be the baseline for all of the other credit criteria that you're going to need to add other solutions or other loan products that you want to promote too.

You'll see the funnel here starting off big with a default offer, like I said usually the auto loan. Then we'll add additional loans to that, whether it's a credit card, home equity line of credit, etcetera.

Moving on to the next slide here; it's an illustration of what the direct marketing, direct mail, and email piece would look like. You'll see all the different possible offers that are available here. In this instance, you see a recreational vehicle, a boat, a home equity, an auto, debt consolidation, etcetera. Educating the consumer about all the credit that they have available to them, and also at the same time being able to deliver all the appropriate disclosures through the mail and email.

Moving on to the next slide here, I'm going to turn it over to Dave to talk through the interface with the online banking portal.

**David:** Thank you Erik, I'm just going to wait to get the screen. Okay. Can somebody confirm that my screen is visible, Erik can you see it?

**Erik:** I see it.

**David:** Great, terrific, thank you. As Erik said we are going to be looking at some of these digital communications pieces that we have. All of them are integrated directly into your existing online and mobile banking apps and websites. This is behind your authenticated website. What we are looking at here, I'm going to be demoing some of our digital insight integrations. We also integrate with several other online and mobile banking platforms. Just inquire with your Harland Clarke relationship manager about which product you use and if we currently have integrations with those. If we do, great it's a plug and play type of thing. If we don't, it's still a very easy, simple integration through SSO or API.

What we're looking at here, again, is our digital insight tab interface. You can see that we have this tab here called my offers inside of the digital insight online banking platform. On this tab, everything below the navigation is our loan engine widget. You can see that this individual here has eight preapproved offers.

What I like to mention here, at this point, is from the consumer perspective the amount of transparency and visibility that each individual has into their personal borrowing power is really unparalleled. It's never been available before. They might know, in this case this person you can see up here, has the 747 beacon score.

Most people are aware of their credit score to some degree, but they don't really know what that means until they apply for a loan and are ultimately approved for that loan. In this case, any day of the year, 365 days of the year, they can login to their online banking website. They can come to this tab and they can see exactly how much they're already qualified for over all the product lines that are available to them.

It's a completely different – it's a mind-shift in how people approach the consumer lending equation. Again, we can see eight products for this individual. When I refresh the screen here you'll see I'm looking at a different customer account inside my demo campaign. All of these customers have gone through the same exact decision making process. It's a rules engine and a targeting engine that is making sure that each individual is receiving only offers that are relevant to their situation. Not necessarily on propensity, although we can use propensity modelling and segmentation strategies to present offers.

Really what we are trying to do here is provide as wide a selection of preapproved products as possible so that the customer can tell us what they need, rather than us trying to use the data to target products based on propensity to respond. Another thing to note here is whether someone is receiving 8 offers, or 2 offers, or 10 offers it doesn't cost any more to present a greater number of options. What we are really doing here is we're saying, "Based on what we know about you, this is a selection of offers that may appeal to you."

We don't know for sure if somebody is really interested in a motorcycle or a boat. There's not a lot of data out there that can help us to try and target that. Because it doesn't cost anymore to present those product options and they might be relevant to someone based on a certain demographic we can present those options. You'll see it really does move the needle considerably across product lines that don't typically receive marketing support.

We're looking at this interface here, now again this is highly customizable. Everything you see here will be branded to your look and feel. The messaging up top is custom for your institution. It can be changed at any time. The availability to display the credit score, that's an option that we can provide. The offers themselves are highly customizable as well. Obviously we'll only offer the product mix that you want to promote. Then the icons, the names of the offers, certainly the available credit amounts and rates, all of these are based on your existing available products and pricing structures.

I'm going to refresh the screen another time here and you'll see that not only are the offers changing but the available credit limits and the APR's are also changing based on your existing pricing structures.

This person, we'll stop here, has \$40,000 available at an APR of 2.75 for a 60 month term. From the consumer's perspective, again, they might not need \$40,000 and this payment estimate is based on a \$40,000 amount. They can come in here and they can change that, maybe they only want 20,000. They can calculate their monthly payment based on that amount. They can even choose from different available term options. Maybe they want to extend this loan all the way out to 84 months.

You'll notice when I click this, if you keep your eye on the APR and the payment estimate, those will adjust based on your pricing structure. If that looks good to this customer then they can just simply click through to accept the offer. You click accept, read about the offer, your own product messaging here. Again, they can change their term if they'd like, they can read their disclosures. Acceptance of this offer is extremely simple. Prepopulated form because we know it was Gavin who logged in. This is his information. The only thing that Gavin needs to answer is a callback number.

The reason why we don't prepopulate that is because many times it's not up to date in the core system and we want to make sure when this lead is delivered to your loan center that it has up to date contact information. Now they just agree to the terms and disclosures of the loan, they click finish, and that's it. They're done, a lot easier than a loan application. They'll receive a custom product message, specific to that product and your institution. Telling them what's going to happen next. Then when they exit out of that you can see something's happened here on this page. The new auto offer has been marked as redeemed.

What's happened on the back end is that lead was instantly, within just a few seconds, delivered to your loan processing center or your call center depending on where you want those leads to be directed. You can immediately contact

that customer and confirm that you received the request and move into fulfillment using your existing processes and loan origination systems.

Another thing that's happened here is that the remaining offers have changed. This is what we call risk-based assessment. It's a critical component of this solution. Any time any one offer's accepted all other offers are instantly reassessed, based on lender defined rules.

Now Erik mentioned earlier, what we call the one and done approach, which is usually how we recommend our new clients get started with the program. That means that any time an offer's redeemed the rest of these offers turn to these apply buttons. In this case we have a more advanced rule set up that's letting our customers accept one secured vehicle loan and one unsecured product. So you get to dictate what product combinations are acceptable, based on your own risk tolerance. These apply buttons, when they show up, will link to your existing online loan applications, or if you don't have those or if you would rather use our default workflow.

Say this person wants the motorcycle too, they click on that, the default workflow is telling them that because they accepted the new auto on the 19<sup>th</sup> the motorcycle is no longer preapproved. It might still qualify, so go ahead and click through and we'll give you a call and let you know if we're going to take care of that loan request for you or if we're going to require a full application. It's that easy. Within just a few seconds, two clicks and you've sold a loan. Very, very powerful, we see a lot of redemption for our clients coming through this tabbed interface. We also offer other digital interfaces as well. A similar experience, but we tailor each of, what we call these widgets, to fit in different areas within online or mobile banking.

In this case here we have our, what we call our compact widget. Where in this case it's for digital insight clients they can place this widget on the very front account summary screen that their customers see the moment they log in. The same screen that has their account balances and other upfront information, these offers are right there, front and center when they log in. It's the same visibility and the same experience. We have this auto refi offer, let's quickly refi an auto, right here from the homepage of our online banking. We want 13,000 at 60 months, and you can see that it's calculated my payment, accept the terms, enter my phone number, and I'm done.

Because these offers are preapproved and they're pre-decisioned using very robust data analysis, you really are eliminating the loan application step from the consumer lending process and allowing the data you already have present to drive the decisioning process. Of course, on the back end during fulfillment

you might have other requirements that you need; proof of income maybe, or for certain loans, collateral items. You're always free to reexamine each loan request as they come through. As long as you don't change the criteria that was used to extend the offer you can change offers or even rescind an offer completely if a customer's not able to verify the information that was used to extend the offer. Those are some of our online banking interfaces.

We also offer mobile banking, and that's really the new frontier for staying competitive inside of the mobile-first landscape. This is a truly omni-channel solution, meaning that we are integrated at every single touch point. Mobile is arguably the new battleground for staying competitive. In the same way that we integrate with online, we can integrate with mobile both through single sign-on interfaces, but also through API integration.

Here's one of our mobile interfaces, again this is Digital Insight. Ignore the scrollbar here because I'm showing this on a desktop machine. This is the interface for mobile. All the offers are available. It's a fully responsive design, meaning that if this is on a phone or a smartphone it will show up formatted like this, with a direct call button. If they touch that button it will call whatever number you've designated as your service line for these types of requests or inquiries.

If it's on a tablet the interface will change and it will remove the call button and format itself in a more tablet friendly way. The experience is identical. Maybe we're on the car lot now and we remember that we are approved for \$40,000. We log in, we accept this offer in the exact same way we saw in the online banking. Term, amount, calculates the payment, agree to the terms and conditions. Phone number is prepopulated in this case and the request has been sent. At this very moment you are now aware that your customer has redeemed this loan request and is on the lot and is ready to buy. You're going to be able to call them back and insure that you're there with them at that critical point of purchase moment.

**Erik:** Hey Dave, can I pause you for just a moment there? We've had a few questions come in about the decisioning and the re-decisioning process that happens. Will you go through that one more time and make that clear, how that all works?

**David:** Basically what's happening is there's a set of rules in the back system that we've programmed into the engine that's driving these offers. We work with each institution to really ascertain what product combinations they are comfortable offering. In most cases, like I said before, we start with the one and done approach. Meaning they have their selection of any one of the available offers at which point the rest are turned into an apply button. At the end of the



campaign, when we refresh the data for the next campaign a new set of preapproved offers is presented all with green accept buttons.

In the case that I showed with the more advanced type of decisioning, that would be things like, maybe you want to offer an auto loan and a credit card. You feel like that's a combination that's acceptable. Or even an auto loan and a home equity loan. If you're lending policy – you feel comfortable with those offer combinations you're able to insure that each customer has the ability to accept multiple offers in an existing campaign. A lot of times when that second offer comes in you're going to probably run a full app behind the scenes or pull credit again. The idea is to let it be known that those combinations are available and that those loans are still available based on their profile. Does that answer the question?

**Erik:** It does, and this happens all within the loan engine solution.

**David:** Correct. Everything's fully automated. Any time when a new campaign launches, at midnight on the date that we've designated as the launch date for the campaign, all channels become active. These offers go out on all channels and are now waiting there for the customers to redeem them. These channels all work in real time together. So if I accepted a loan offer, my new auto offer and mobile, and then immediately logged in to online banking I would see that the reassessment has already occurred. It's an instant thing. That extends to the branch and call center channel as well.

We have this interface called CPL cross sell or Xsell. As you can see here I'm logged in as Ben. Ben is maybe our teller or maybe a call center rep. You can see, he has no sales today, no sales this week. On this leaderboard, if we had more people in this organization, I only have one in this demo; the top 10 sales show up in order of how many loans they've sold this month. That's a great way to incent internal sales promotions or maybe the top three at the end of the week get a gift card for Starbucks or something, friendly competition.

The tool is extremely easy to use for cross sell. We just look up our customer and search by name or customer number, Lev Blair in this case. Look at Lev. Lev's already accepted an offer, a motorcycle offer. I'm going to go back and find someone who hasn't accepted any offers. Start with a fresh – account Elmo. We can see here, Elmo has a really high Beacon score, an extremely high credit number. He's been qualified for a lot of offers here, at some really nice rates. This is really a gold mine from a cross sell perspective.

If I'm a salesperson in the branch or the call center or I'm doing outbound calling having this array of loan offers, preapproved and available to offer to my customers is really a great way to close a lot of new sales. Because they're

preapproved I can offer these in confidence, knowing that I'm not offering someone to apply, sit down, apply for a loan and possibly be denied. I'm offering a firm offer of credit, backed by a very thorough data analysis and robust credit reporting, so that I know that there's an extremely high likelihood that this loan will fund if they accept my offer.

Maybe Elmo walked into the branch and he's carrying a motorcycle helmet. I can key off of that very simple clue and I can say, "Look, Elmo I see you drive a motorcycle, you ride a motorcycle. Did you know you're already preapproved for \$25,000 motorcycle loan? If you want to refinance the one you have or your looking to buy a new one we can take care of that for you, you don't even have to fill out a full loan application." If Elmo says, "Wow, that's great."

All I have to do is click on that offer and you can see that that reassessment has occurred here. We have these boat and the autos have turned grey. That indicates that those offers are no longer available. I could also cross sell a Visa if I wanted to right now. We'll go ahead and we'll accept the motorcycle cross sell. Exact same process as the customer basing process, change the loan amount, change the term length. I can attach a proof of income or I can do a stated income. All of this is optional information. Then, just click through and verify that it's correct and I'm done.

Now Ben, our salesperson, has credit for that sale today. The loan request has been sent to offer processing. We're tracking everything in the back end. You have a full dashboard available to you that your admins can login to and you can see exactly how Ben is doing against his peers, how branch one is doing against branch 5, how mobile banking is performing against online banking. You have all these real time statistics available to you anytime. You can login and see, maybe you dropped an email campaign today and you want to see how that's moved the needle. You can track that in real time. It's a true end-to-end solution for lead generation of preapproved loans.

**Erik:** Okay, we have a few more questions pop up here I think are relevant at this point. First one being, "Do you need to have online account openings in order to utilize this solution?"

**David:** No, you absolutely do not. We can in some cases, in some of our advanced capabilities, integrate account opening solutions. Really that's not the strength of this program. It is lead generation and it's – we're not moving these loan requests all the way through to the funded loan or an open account. The handoff occurs after the intent.

If I'm a customer and I come in here and I click on my personal loan offer, once I've indicated how much I want at what term link that request is being funneled

through whatever existing fulfillment processes you have for account opening and funding. We don't need to integrate with any of those. In fact, this solution was built so that it truly does not require any sort of integration with LOS or account opening.

**Erik:** Great, a couple more underwriting-themed questions here. In this instance, VFI does not have a centralized underwriting department. Is it possible to direct those leads to specific branches?

**David:** Are we talking product-specific or salesperson – I guess there are different ways we can route requests. For instance, we have what's called a global lead email. What happens is you might set up loan requests at XYZ financial.com as your funnel for all leads from all channels, by default. Then, for Ben, our teller who was in branch one, maybe we don't want his leads going to that same spot. We can route that to somebody specific in that branch or to a different department.

We can direct the leads from each channel or individual salesperson individually. At this point we can't direct product-specific offers to different funnels. For instance, if by – I can't have my student loan request go to one area while my credit cards go to another. In that type of situation what we would do is help you establish procedures for rerouting requests through a central hub so that they land in the right area.

**Erik:** Very good, then what happens if the individual consumer's credit has changed after the offer finishes.

**David:** The disclosures for all these loans will state that – one of the things we're pulling, for instance, is an income estimator. Now it's not always spot on, sometimes it can be off by several thousand dollars, but by purchasing that information from the bureau you're able to verify that at the time of funding.

Similarly, at the time of funding if you want to pull a new credit report that's just fine. You can absolutely do that. What you can't do is change the criteria that was used to extend the offer. For instance, we know that this person, at the time we extended this offer, had a 788 Beacon score, and that qualifies them for 2.75 at \$40,000 or \$40,000 at 2.75. If they accept this offer, I can pull credit again and if their credit had changed significantly I can change the offer at that time. If it hasn't, or if they still fall within the same tier, it is a firm offer of credit and by FCRA standards I need to fulfill that request.

Any criteria that was used to extend the offer can be verified at the time of funding. If any of those criteria has changed; credit history or debt to income, you can adjust the offer accordingly to fulfill that new offer or even pull the offer altogether.

**Erik:** Are there any loans that are not supported with this solution?

**David:** At this time the only consumer product that is not supported is first mortgage loans. It's not that it's not possible through the system, we have more than enough data and capabilities to present those types of loans. At this time we're really focused on every other consumer loan type other than first mortgage. We do home equity loans and lines of credit, vehicles, credit cards, we have clients who offer overdraft line and some computer loans, all sorts of things. The beauty of this solution is that you can offer so many options and see all of these different product lines grow in volume over the course of the year through a single marketing effort.

**Erik:** Very good.

**David:** Any more questions, or should I move into some of our more advanced features?

**Erik:** Let's move into the advanced features at this point.

**David:** Okay. I usually, at this point I try to bring up my phone on screen, but I've been having issues with that lately, so I'm going to do some screen captures here and we'll play some videos that are actual screen grabs from my phone. I'll start with our e-signature capabilities. This is something that we demoed in April or May at Innovate, the new capability that is inside of our new SSOs. It allows you to present documents for e-signature. Now, before I get into that, another feature that you're seeing right here on screen, for certain clients; and we'd have to talk to your mobile banking provider about their capabilities in this regard.

If you have push notification abilities, whether they be geo-targeted or otherwise, this solution offers the ability to present truly actionable notifications through mobile. In this case, this individual walked into a refrigerator store, a big box store and they were, based on a geo fence that was placed around that location we were able to present this person with a \$5,000 instant cash loan. In this case a small dollar amount, unsecured loan that is low enough that the lender feels comfortable offering it without further verification of income or anything else. They can just sign and get this loan.

What's powerful about that is that you're able to present these offers in context of where your customers are. I mentioned an auto dealership or other locations, at a home improvement store, a home equity loan.

That's the key to staying competitive in the new loan environment that we're moving in to with all of these point of sale options available. you want to make sure you're there with your customer at that opportune moment. You have to

do it with an offer that is instantly actionable. An offer to apply is not truly an offer. An offer to apply is an offer to potentially be rejected. It's an offer to go through a process that most people don't want to go through on their mobile device, especially when they are standing at a point of sale.

To make an offer that's powerful enough to actually capture a new account at the point of sale you have to make it a few clicks. We have this \$5,000 instant cash offer and I'll click on that. Now you'll see we are on the site of our mobile banking widget, with the instant cash. Read about the offer, this all looks very familiar but you'll see on the next screen after they've updated the loan, requests an amount and a term that on the confirmation page right here at the bottom it says, "Sign loan agreement," instead of finish.

What it's doing now is it's actually taking a blank loan document and it's populating that document with all of the information so that it's truly a ready to sign loan doc. It's taking server-side data that we already have, and a combination of that and with the information that was just entered by the customer to make the appropriate calculations and fill out that document. They can sign with their finger on the screen and the next screen they'll select where they would like their funds deposited from whatever selections you have available, in this case checking, and that offer's been redeemed.

At that moment you've received now a notification of where your customer is, based on that geo-notification. The loan request and all of the relevant information there, but also a fully compliant set of signed loan documents available for download, including a full audit trail behind those so that you have exactly what you need to fund that loan. You know exactly where those funds should be deposited.

Again, you'll still fulfill the loan through your existing loan origination system and account opening systems, but you'll have everything you need to do that. At that moment, that customer's phone should be ringing and you'll be on the other end saying, "We received your request and your signed loan docs. We're going to go ahead and push these funds into your checking account." That is an advanced feature right now; we are in full functional beta and moving into pilot. We'll have that available for general availability in 2016.

We also have some advanced features in an app we call credit concierge. Credit concierge is a white label app, iOS app that is available to our clients. In some cases, depending on your mobile banking provider, we can integrate these features directly into your existing app. Again, same gal, now she's at an auto dealership. We have our own geo-fencing capabilities, in this case we've literally geo-fenced every new and used car dealership in the continental U.S.

When you walk onto any car dealership with this app on your phone you're going to get this push notification. We're on the Jeep lot, log in to the credit concierge app and the offers are all there branded to your look and feel. However, this is a standalone app. Click on the auto loan. Now you'll see we have this scan VIN button. They can scan any VIN on a new or used vehicle and it will return information about that vehicle.

I'm going to pause on this screen here. What this is doing is it's pulling the true market value for that vehicle from the Edmunds database and that true market value is the amount that others have paid for this same make, model and options. The same vehicle within a geographic radius of where I'm standing now, based on my GPS coordinates. It's telling me that I shouldn't pay more than 22,284 for this Jeep. In fact, I can tell you this Jeep, when I took the VIN off of it at my local car dealership was priced at about \$25,000. This is a better price and it was even above MSRP.

Now it's calculating and taking that true market value and it's calculating my payment based on my already approved 60 month loan rate of 2.74. You'll see that in a moment it's bringing in some adjustments which include sales tax, the calculation for sales tax is being pulled in, as well as the down payment. You'll also notice when I click play this person can, they can slide their finger back and forth along this thermometer and it will calculate out their payment based on whatever they negotiated as their price.

Now we're going to change their loan term, calculated the price, it's bringing in the sales tax rate based on their zip code because we know where they live. They've got a down payment or a trade-in value. Now they know pretty close to what they're in for when they accept this loan offer. They can take a photo of a driver's license or a proof of income if that's something that is required by the lender, Zach Galifianakis's driver's license in this case. Enter their phone number and then they'll be done, same kind of process.

Some of the advanced features, just to show you where we're taking this technology because as it stands now this is incredibly powerful lead generation technology. Our clients are seeing really unprecedented growth in their portfolios across all these product lines they're offering. We're really not even close to done innovating on this. We'll be building out extensions that really address the needs of all the product types, from instant account opening and issuance of Visa cards to funding of personal loans and such on to prepaid Visa cards and loading those into digital wallets. These are all road map items that are natural extension points off of this core solution here.

**Erik:** We have this question coming in, I think it's really relevant to what you're speaking to right now; the ability to support a lot of the credit add-ons such as gap insurance, disability, and light etcetera.

**David:** Yeah, that's a great question. Insurance products are also on one of our very short term road map items. Certainly in 2016 we will have the ability to present targeted and preapproved insurance offers of all different types. Gap also is something we are looking at potentially offering as a bundled item onto our auto loan products.

If our clients want to bundle a gap policy onto every auto loan and make it more of a kind of opt-out kind of thing; that's what we're moving toward as well. Imagine you accept an auto loan and you get walked through this process it will present you with the opportunity to uncheck the gap policy box and – I'm sorry about the beeping. It will recalculate the monthly payment based on adding that gap policy.

Insurance products and deposit products, really noncredit-based offers will be part of this solution as we move forward.

**Erik:** Another really good question that's come in, and I'll take this one, is many of our clients that are current Shopper Alert clients at Harland Clarke. For those of you who are not aware what Shopper Alert is; it's our credit trigger program, where we're able to monitor your entire consumer portfolio, identify those consumers who have applied for a loan. Then reach out to them within 24 hours by mail, email, and contact center to get in front of that loan going to a competitor. The question is, "If they're currently a Shopper Alert customer should they use Loan Engine instead?"

The way I'm going to answer that is, if you recall back to that cone illustration at the very top of the cone is your highest ROI, and that's Shopper Alert. Immediate customers, they were getting 10% plus response rates on Shopper Alert. The problem with Shopper Alert is it's a relatively small population each month and many of our clients are not getting enough total loan volume to meet all of their goals. That's where Loan Engine steps in; to fill that gap between Shopper Alert and the remaining goals that you have with another highly sophisticated data-driven solution for loan generation.

To sum it up no, we would definitely not recommend you turning off Shopper Alert to add Loan Engine. We think that they are very complementary solutions to each other.

Dave a question has also come up about which credit bureaus you pull information from. Do you support all three?

**David:** Yeah, actually the platform does support all three bureaus. At Harland Clarke you can do blended reports as well. Harland Clarke would be purchasing the reports on behalf of the client and using the bureau of choice. We do currently work with all three bureaus.

**Erik:** Very good, and we have a integration question here with LOS systems. Which ones do we currently support? Specifically, have we worked with Velocity LOS?

**David:** Yeah, we do have a few clients that use Velocity. Right now we're not integrated directly with Velocity. In fact, our first LOS integration that we're working on right now for release at the end of the year is Meridian Links loans PQ system. Again, the solution was never built with a requirement of integration to anything other than online and mobile banking, and that was by design for several reasons.

We do see the natural progression being, especially as we move into account opening and also to provide a slightly more efficient back-off this process, that these leads can flow directly into Loan Origination Systems. For our clients that are currently live and using this, and have been for well over a year, who use Velocity and other LOS systems; they've found that although early on they were interested in that LOS integration the way it works right now is more than sufficient for their needs. Nobody's really pushed on that. The Meridian Links one that we're working on now was a project that we wanted to undergo just because so many of our clients and prospects use Meridian Links and were familiar with the people and the system there, so we'd make that our first integration.

**Erik:** We are right near bumping up against the top of the hour. I want to limit it to just one last question, and that is, "What is a typical implementation time frame?"

**David:** Typically we see this at about 90 days, before you're able to launch your first campaign. Sometimes we can do it a little quicker, but 90 days is a safe bet for making sure that we've had an opportunity to look over all your underwriting requirements and go through all of the proper checks and balances to ensure all your communications are as you'd like them. Sometimes we can do it in as few as 60 days.

**Erik:** Very good, I want to thank all of our attendees today. As a reminder, everyone that was in attendance will receive a copy of the presentation in a few days. If you have additional questions please reach out to your Harland Clarke key account representative. Thank you once again, enjoy the rest of your day.