



# Shopper Alert™ and Shopper Alert™ Prospector

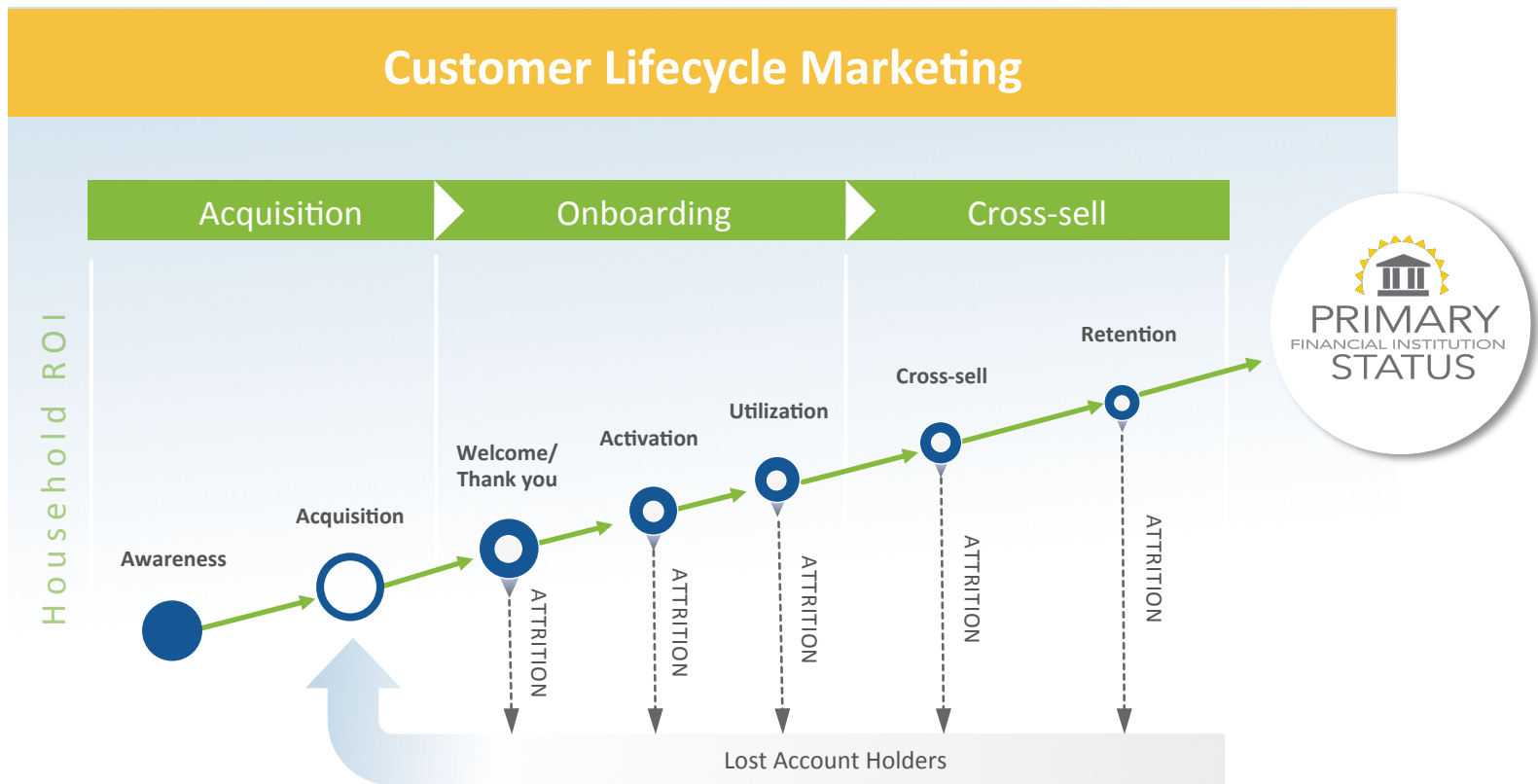
Reach Account Holders Who Are Actively Shopping for Loans

# Agenda

- **[FI Name]** Goals and Objectives
- Harland Clarke Marketing Loan Ecosystem
- Shopper Alert Solution
- What You Can Expect
- Shopper Alert Results
- Q&A

# Harland Clarke's Core Marketing Philosophy: Customer Lifecycle Marketing





- Harland Clarke provides a complete suite of marketing solutions across the entire customer lifecycle
- Shopper Alert and Shopper Alert Prospector are loan marketing solutions in the acquisition/cross-sell phase of the customer lifecycle



# Harland Clarke's Loan Marketing Ecosystem

>> Our Comprehensive Approach

## LOAN MARKETING SOLUTIONS

Solution	Target	Qualifications	Universe Size	Response Rate
	Loan Shopper	Trigger	Small	Very High
	Loan Eligible	Perpetually Prescreened for Multiple Products	Large	High
	Loan Holders	Refinance Eligible	Medium	High
	Loan Eligible	Credit Criteria or Demographic Proxy	Large	Medium

# Shopper Alert Solution



# How do Shopper Alert and Shopper Alert Prospector Work?



# Why Shopper Alert Makes so Much Sense...

**We believe knowledge puts marketers in control and creates powerful marketing programs that produce extraordinary results**

**In a perfect world, marketers would know when their account holders are applying for a loan with a competing institution**

**Shopper Alert moves you closer to a perfect world by monitoring credit inquiries across the three leading bureaus and communicating a preselected loan offer within 24 hours of an inquiry alert across multiple channels**

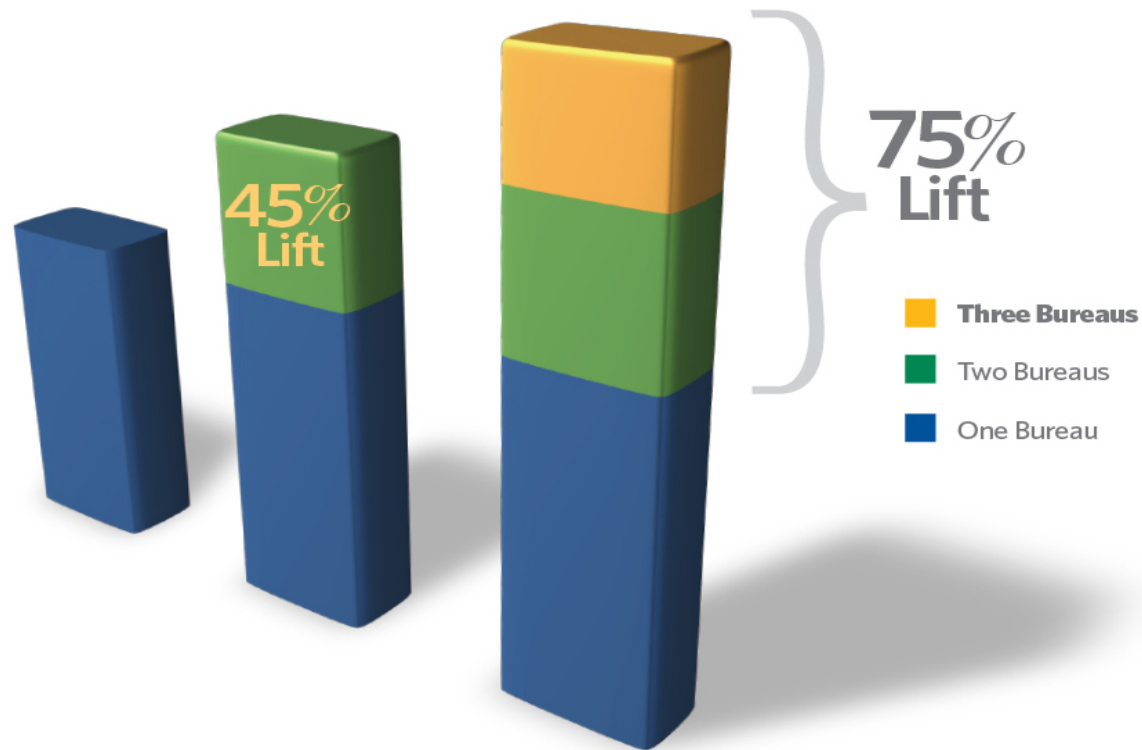


## Did you know...

- At any point in time four-six percent of your account holders are actively shopping for a new loan?
- More than 60% of shoppers will make their loan decisions and commit their loan to an FI within one week of starting the activity?
- Shopper Alert is the only solution that provides access to the three leading credit bureaus in one program?
- Shopper Alert will send a communication to your customer within 24 hours of alert of their credit inquiry?
- Shopper Alert will only send communications to account holders that meet your credit criteria?

# Tri-Bureau Access Increases the Number of Leads

- Obtain most qualified prospects by using all three credit bureaus
- Tri-bureau access achieves up to 75% lift





# What Are the Key Benefits of Shopper Alert?

## Data driven marketing that gets results

- Reaches account holders at the exact moment they are considering competitive offers
- Provides credit inquiries from all three leading credit reporting agencies
- Applies credit underwriting criteria to decrease decline rates
- Provides timely marketing deployment using direct mail, email, and/or telemarketing. Communications are sent within 24 hours of receiving the inquiry alert
- Earns higher conversion rates by leveraging existing relationships and brand recognition
- Measures campaign results to monitor campaign ROI

3-Bureau  
Monitoring



# Optimizing New Loan Volume is a Constant Challenge

Moving solution delivery from static to perpetual expands your portfolio's reach and volume



# Preselection Considerations

- Regulatory Issues
  - Compliance involvement
- Offer requirements
  - Firm rate offer
  - Minimum dollar amount
- Lending Department involvement
- IT Department involvement

# Preselection Requirements

- An indication that the consumer is preselected or prequalified for an offer of credit or insurance
- A listing of the terms and conditions of the offer, including interest rate
  - This can include a range of interest rates for which the consumer may qualify, so long as there is an offer for which he or she does qualify if the stated conditions are met
- A minimum dollar amount of credit for which the consumer has been qualified
  - It is acceptable to say the consumer may be qualified for more, and a range can be stated so long as there is a minimum amount
- Eligibility requirements that include a statement that credit may not be extended if, after the consumer responds to the offer:
  - The consumer does not meet the criteria used to select the consumer
    - Income, Employment, LTV
  - The consumer does not meet other pre-established credit criteria
  - The consumer does not furnish the required collateral as specified on the mail piece

# Credit Bureau Application Process

- Necessary to use Harland Clarke loan marketing solutions
- Preselections generate a higher response and ROI than ITA offers
- Only needs to be done once
- Harland Clarke Client Management will help

# Shopper Alert Prospector Solution Summary

- Shopper Alert Prospector provides marketing loan offers to prospects (not members/customers of FI) who are shopping for a loan
- Shopper Alert Prospector offers all the benefits of Shopper Alert, plus offers and messaging can be customized for prospects
- Our experience is that prospect trigger volume will be much higher
- Prospects targeted based on proximity to branch
- Criteria to be finalized based on FI budget, credit screening and products marketed
- Look back reports will include prospect opportunity size

# Sample Letter

- Best practice creative layout with rate as the offer
- Letters fulfilled daily to insure compliance with fair credit reporting regulations
- Letters mail within 24-hours of trigger alert
- Quick-to-Market letter versions available

**- PRESCREEN & OPT-OUT NOTICE**

This "pre-screened" offer of credit is based on information in your credit report indicating that you meet or better criteria. This offer is not guaranteed if you do not continue to meet our criteria and other factors based on your creditworthiness (including acceptable property value, income and employment history). If you do not wish to receive pre-screened offers of credit from XYZ and other companies, call the consumer regulatory agency:

1-888-445-4632 OPT-OUT 1-888-445-4632 or write  
 TransUnion OptOutRequest, P.O. Box 1519, Wiesbaden, PA 19194-1519  
 Equifax Consumer Opt-Out, P.O. Box 918, Allen, TX 75013-0918  
 Experian Consumer Opt-Out, P.O. Box 740122, Atlanta, GA 30374-0122

**XYZCU**  
1524 Any Avenue • Any Town, ST 68227

RIGHT HERE, RIGHT NOW!

**You're pre-approved\* for a mortgage as low as (X.XX)% APR\***

\*Plus, get a \$(XXX) cash bonus!

(DATE)

Dear (XFIRSTNAME),

It's the perfect time to get a mortgage—because as a (XYZ CU) member, you're pre-approved\* for an APR as low as low (X.XX)%\* to buy a new home up to \$(XXX,XXX)\* or reduce the payment in the home you live in now. Plus, get a \$(XXX) cash bonus\* when your loan closes!

**GREAT MORTGAGE RATES— AND GREAT MORTGAGE OPTIONS!**  
 At (XYZ CU), you have lots of choices—whether you're buying new, refinancing, or just making a few improvements!

- ✔ **Conventional fixed-rate first mortgage**—same low rate for the life of your mortgage.
- ✔ **Adjustable-rate mortgage (ARM)**—lower rate for the first few years of your loan.
- ✔ **Mortgage Refinance**—a lower monthly payment for the home you're in now.
- ✔ **Home Equity Line**—a credit line you can use as you need to make home repairs, upgrades, or improvements.
- ✔ **Home Equity Loan**—like an equity line, but you get the funds in one lump sum.

**ENJOY THE CONVENIENCE OF AUTOMATIC PAYMENTS.**  
 Just have your loan payment transformed automatically each month from any (XYZ CU) checking account.

**GO WITH (XYZ CU)—YOUR LOCAL CHOICE FOR LOANS!**  
 For all your borrowing needs, choose the lender you already know and trust. (XYZ CU) has convenient locations to serve you, and a friendly, knowledgeable staff ready to work for you.

Sincerely,  
  
 (XFULLNAME)  
 (XTITLE)

**HOME SWEET HOME**

Use your pre-approved (XYZ CU) mortgage to buy a bigger home, smaller home, or enjoy a lower payment on your existing home.

Then, enjoy a \$(XXX) cash bonus\* on us!

**LOCATIONS:**  
 (XLOCATION)  
 (XADDRESS)  
 (XADDRESS)  
 (XLOCATION)  
 (XADDRESS)  
 (XADDRESS)  
 (XLOCATION)  
 (XADDRESS)  
 (XADDRESS)

PRE-APPROVED FOR (XFULLNAME1)

**ACCEPT YOUR (XYZ CU) AUTO LOAN TODAY.**

**CALL:** (XXX-XXX-XXX)

**CLICK:** ([www.xyzcu.xxx](http://www.xyzcu.xxx))

**COME IN:** Convenient locations to serve you

**HURRY**—offer ends (XMonth) (XXX), 2012!

You can choose to stop receiving "pre-screened" offers of credit from this and other companies by calling toll-free 1-888-567-8688. See **PRESCREEN & OPT-OUT NOTICE** on other side for more information about pre-screened offers.



# What You Can Expect





# Sample Shopper Alert Activity Analysis By Product

## Credit inquiries made in the last 30 days

Inquiry Type	Count	Percent of File
Mortgage	3,802	52%
Auto	816	11%
Bankcard	1,806	25%
Installment	897	12%
<b>Total</b>	<b>7,320</b>	<b>100%</b>

Estimated number of new loan applications generated based on historical campaign response rate of 7.8% data is **571 new loans\***

\*Many variables impact 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.

# Sample Shopper Alert Activity Analysis—Credit Score

## Credit inquiries made in the last 30 days

Inquiry Type	Count	Percent of File
<620	1,528	21%
620-639	486	7%
640-719	2,604	36%
720+	2,702	37%
<b>Total</b>	<b>7,320</b>	<b>100%</b>

# Shopper Alert Results



# Shopper Alert Results

## Large NE Regional Bank

- \$10+ billion in assets
- More than \$111 million in loans
- ROI exceeding 2,000%

## Texas Bank

- \$6.0 billion in assets
- 12 months of marketing using Shopper Alert
- More than \$9 million in new mortgage, auto or personal loans

## Top 50 Super Regional Bank

- Two months on Shopper Alert
- More than \$10 million in funded loans
- ROI exceeding 700%

# The Harland Clarke Advantage

Fully turnkey solution includes strategy development, advanced analytics, award winning creative, print production and results analysis

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Access to all three leading credit reporting agencies

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A single-source provider that provides data integration across multiple channels (direct mail, email and phone)

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Ease of implementation and deployment

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Dedicated team to facilitate execution across all channels

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Security that you and your account holders rely on

# Shopper Alert Summary

- Reach account holders or prospects when they are shopping
- All three credit bureaus
- Mail, email and contact center options
- Four loan types
- Preselected loans
- Quarterly reporting

# Appendix



# In-House Security Programs

<b>In-House Security Program</b>	✓
<b>SSAE 16 Type II Audit</b>	✓
<b>Payment Card Industry (PCI)<sup>1</sup> Certification</b>	✓
<b>Annual Disaster Recovery Test</b>	✓
<b>Multiple Client Audits and Assessments</b>	✓
<b>Security Testing (vulnerability and penetration)</b>	✓
<b>Physical Security Measures</b>	✓
<b>Vendor Risk Management</b>	✓
<b>Cybertrust Enterprise Certification</b>	✓
<b>FACTA Red Flag</b>	✓
<b>Sarbanes-Oxley Audit</b>	✓

<sup>1</sup>Several Harland Clarke Holdings Corp. business elements are PCI compliant.