



**Harland Clarke Webcast**  
**Quarterly Prescreened Loans – Empower Account Holders and Increase Loan Volume**  
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**Presenter:** Stephenie Williams, Senior Marketing Strategist, Harland Clarke

**Presenter:** Dave Buerger, Co-Founder and President, CUnex Solutions

**Jeb:** Good day, and welcome to Harland Clarke's webinar. Today's topic is Perpetually Prescreened Loans Empower Account Holders and Increased Loan Volume. This webinar is being recorded and will be provided to you along with the presentation deck within a few days. If you have questions, please use the chat box located in the webinar control panel. Your questions are private and are only seen by the presenters. I now would like to turn over the call to Stephenie Williams, Senior Marketing Strategist at Harland Clarke. Stephenie, you have the call.

**Stephenie:** Thank you. I'm glad that you could attend today. We're very excited to bring you information about this very effective approach to consumer lending. With me today, is Dave Buerger. Dave, do you want to go ahead and introduce yourself?

**Dave:** You bet. Thanks, Stephenie, my name's Dave Buerger. I'm the Co-Founder and President of CUnex Solutions. We're partnered with Harland Clarke on the LoanEngine solution we'll be demoing today.

**Stephenie:** Thanks, Dave. I'm Stephenie Williams, the Senior Market Strategist for all the lending solutions here at Harland Clarke. My background, I sat in many of your chairs in underwriting and loan marketing for 20 years and also have some experience in overall customer relationship marketing and return on investment on such a program.

Let's go ahead and get started. As we mentioned, we're here to talk about a perpetually pre-approved lending program. What brought us to this point is really understanding working with more than 10,000 financial institutions across the US constantly having a challenge of optimizing their loan volume. As we've looked at that marketplace, we really identified a unique opportunity to solve for it through a Quarterly Prescreened Loan Program. We're going to talk through the process of that quarterly program. Then Dave's going to walk us through a demonstration of one of the channels that those offers are delivered through, which is really the digital channel.

Let's take a look at how this quarterly program fits in to the full loan ecosystem that Harland Clarke partners with its clients on. These four elements comprise the full loan ecosystem that Harland Clarke provides. It starts with the most responsive program down to a more typical responder program. That first



solution mentioned, Shopper Alert, is really a trigger program, a credit trigger program.

Anytime your account holders or targeted prospects are out shopping for a loan and make application, as soon as that credit is prescreened or screened, that creates a credit trigger. Those credit triggers are then responded to on a real-time daily basis providing direct mail offers and even phone calls to those individuals. Because they are in market shopping, we find that audience is really the most responsive. We have clients conducting those programs and on their account holders, they're achieving anywhere between 5% and 7% response rates. It is lower on prospects as with most prospecting efforts.

LoanEngine, the solution we're here to talk about today really operates in the model of taking the guesswork out if you will. Much like a trigger program takes the guesswork out if the consumer is in-market for a particular product type. LoanEngine tries to take that guesswork out as well because it looks at your account holders and targeted prospects to see, from a credit perspective, what they would be qualified for. Based on those qualifications, it makes some offers for a multitude of product types. That's really taking the guesswork out as opposed to historical.

Historically speaking, loan marketing has been driven primarily by seasons. As a bank marketer myself in the past, we would be running a home equity campaign in the spring, home equity campaign in the fall, maybe pepper in a credit card campaign near the holidays, debt consolidation maybe the first of January, very seasonal, whereas, with LoanEngine, because you're addressing a full suite of loan products, you're really empowering your account holders with choice. What we find with LoanEngine is quarter after quarter, our clients are seeing 3½% response rate and many times better than 3½% response.

The last two programs probably familiar with running rate and term refinance offers. It's looking at monthly payment savings for the account holder or for the prospect. Then, finally, Loan Magnet, that's a campaign like I was mentioning earlier, more of a seasonal campaign typically single product. It's using response modeling or product propensity modeling in order to try and increase your overall response rate. That's the full landscape of our ecosystem.

Now, LoanEngine, which we're really here to talk about today, it offers expanded capabilities over what many people have historically conducted. As you can see from the one channel here, the digital channel, which were presenting offers. You'll see within this channel that each consumer or account holder could actually have multiple product options. They also have the ability to do real-time modeling of what their payment might look like. It's easily accessible. People have their phone with them using their mobile application or in off hours, they log into online banking. There is a lot of flexibility for the end-consumer. The ideal portion for the financial institution here is that it can



support any risk-based pricing that you already have in place. It can really help you target unique offers to each of those unique credit profiles.

Let's go ahead and move forward. When you're looking at the challenge of optimizing loan generation, there are really about five segments that most marketers are looking at. These segments include account holders and prospects that are out there shopping, account holders that are not shopping along with prospects that are not shopping. Those four elements all reside in the prescreen space. Most marketers are leveraging that prescreen space first simply because it's more efficient. Also, your underwriters will thank you, most generally, as opposed to that last segment, the fifth segment, the invitation to apply. That segment, while much larger, it can also take its toll on your underwriting system because it can generally generate a great deal of application volume, but those that pull through to booking can be more narrow.

In trying to solve for this challenge, you'll see segments one and two, by their very nature, requiring shopping behavior. They're smaller. If you have a large loan goal, it's going to be a challenge to solve it just by segments one and two. What we're here to talk about today with LoanEngine, we're addressing those larger segments three and four that are also more efficient from an underwriting and origination perspective.

We talked about it a little at the beginning. I think before we get into how the quarterly process works. It's really important to think about LoanEngine differently than other loan marketing campaigns that you might have entertained in the past. It's really a paradigm shift. It's a total change in the way that most financial services companies have marketed loans to consumers in the past. They've really been guessing if you will when that need might arise. They've been guessing on what product that consumer might be looking for.

Let's move forward. It's really depicted here very well. The historical approach, there's been a lack of really consumers understanding of the value of their credit score. If they've received an offer, it's been limited, typically one product. When they've received that offering, they've received it because our modeling, our best guess if you will, has suggested that they're likely to respond or likely to need that product. In this new age of something such as LoanEngine, what we're approaching consumers with are clearly defined loan offers giving not only a variety of products, but also providing a variety of interest rates.

As you'll see in the online demonstration, empowering the consumer to see how changes in term and interest rate can affect their monthly payment real-time, making a payment that they understand that they can afford. Certainly addressing as I mentioned all product types depending on your institution. Most of the institutions we work with are including as many products as possible. On average, consumer products we're seeing between six and eight are the number of product types that most of our clients are including. This



ultimately leads to empowering the consumer to have choice in the marketing that they receive making the choice, ultimately, on what solution that they buy.

Next please. Let's go ahead and talk about the benefits for your institution as well as the tenets, the foundation. This program is in the prescreen space, meaning firm offers of credit. It looks at quarterly prescreening for offers, a variety such as mentioned here, home equity, auto, credit card, personal loan. They have clients using boat, motorcycle, RV. They have the ability to promote products that normally couldn't be promoted. In my past history, never ran a stand-alone campaign for motorcycle because the volume just wouldn't be significant enough to justify it. This allows you to include all those additional products.

It also provides you the ability to deliver all those offers through multiple channels. Really a nominally channel experience for your account holders, direct mail, email, online banking. Online banking is right within the frame of your existing online banking system. It feels and looks like your brand. Through mobile, you have the ability to support it through your call center. We have a cross sell tool that we're going to walk through. That cross sell tool can also be available to your client facing sales staff, whether that be at the teller line or at the new account desk. All of this while including the risk parameters that you need from both the pricing perspective and the credit adjudication perspective.

The benefits to you as a financial institution are pretty significant. They allow your financial institution to grow the loan portfolio and helps to reduce loan acquisition costs. Typically, with clients, and we'll show you some case studies after Dave provides a demonstration, we see anywhere between \$65 and \$80 cost per loan. We also see return on marketing investment. It's very significant. Most clients exceed 500% return on marketing investment. The best part from clients that we're dealing with today, they're all strapped from a staffing perspective. It's harder to get more things done by their then marketing staff.

This program allows you to leverage the opportunity around a prescreened program, but not be tangled in the process of coordinating with the credit bureau. Sometimes that process from criteria input, to audit, to file receipt that process many times can take eight weeks. That's just one component of someone managing this project. It's usually that component along with how you're going to take that data in, assign the offers, develop the creative, get that through your legal and compliance, talk with the pricing folks to make sure you get the right price for the offers that are going in the letters. It can be a very cumbersome process. We walk through that with you once in the initial campaign. In subsequent campaigns, the amount of engagement is significantly dialed back, typically about two weeks. There's a big benefit from a human resource perspective with LoanEngine.

The greatest benefit is ultimately for your account holders. You're really



training your account holders to come to you first for that next loan, to begin to understand that you're constantly evaluating at least on a quarterly basis, their credit profile and making them aware of what's available to them. You're making it easy for them to respond and ultimately book that loan to acquire that next big purchase, maybe it's a new car, perhaps it's a boat, an RV. You're helping make that path to ownership must easier.

Next please. Let's take a look quickly at how this works. Then we'll get into that live demo with Dave. It starts at the beginning of each quarter. We look at your account holder file. We take that account holder file along with what we call default credit criteria. That default credit criteria is credit criteria for a product that an account holder is likely to have more than one of with your institution, if you could move to the next slide for a moment, please. That default credit criteria typically is a secured product. Like I said before, it's a product that your account holders are going to have more than one of with you.

What we find is really all of our clients currently on the system are using auto-credit criteria as that default offer. It's a secure product. It allows for the top of this funnel, the royal blue portion of this funnel, to be as large as possible. What we find in working with those clients on average is about 1/3 of their account holders are going to pass that prescreen criteria. Once they pass for that default offer, we will look at other product offers that have criteria that would be more restrictive. Things like the presence of a mortgage in order to offer them a home equity. Perhaps it's a more narrow FICO band because it's an unsecured product. Those types of things are what allow consumers to qualify for offers two, three, and four.

Let's go back to the previous slide. Now that we have taken your account holders, that default credit criteria, let's for conversation purposes, we'll say auto-credit criteria. We've prescreened all of your account holders with that criteria. We get back those account holders that pass the credit criteria along with 20 standard attributes and up to 5 custom attributes. We use the fact that they were approved on your default criteria and any of those elements of additional 25 to then further filter them. The first offer, as you can see from the diagram, is auto. Maybe the next offer is credit card, boat and then personal loan. Once we've filtered all of your account holders through that process, we're then left with the assignment file. That assignment file means we're ready to market.

We'll go ahead and market to them. The diagram next to the right, those spot bubbles or conversation bubbles, those represent your in branch conversations. The cross sell tool that we're going to talk about will address and support those in person conversations. It will also support conversations that might be coming into your call center. We'll then also send out a direct mail and an email as identified by that envelope. Finally, we will load these offers into online and mobile banking.



One thing that I want to mention as we have the online and mobile banking conversation, and Dave will probably elaborate a bit more, we deal with a variety of providers. If we've already dealt with your individual provider, there's generally a little bit more expeditious route to engagement. We're entertaining new providers every day. We have a process for engaging them. The connectivity from most of those suppliers is easy to get set up. I'm not making it sound like the easy button and then it's hard. It's actually a pretty straightforward process.

Because we're marketing in all these channels, what we find is, like I mentioned before, the response rates are really high. Those response rates, again, are around the 3½% range. In order to measure the campaign, we'll provide you a couple of different tools. On a weekly basis, soon to be a daily basis, we'll provide you a summary of all the loan leads that have come through for the campaign. Then at the end of the campaign, we'll work with your team and get a loan application file in order to look at, not just those that redeemed an offer, but those that actually booked an offer. It will also give us visibility into some perhaps that were declined or withdrew so that we can maybe tweak the credit criteria to enhance the overall performance.

Let's move forward two slides please. Before we get into the online demonstration, I think it's important to understand how these offers are depicted to your account holders. This is an example of the direct mail piece that is sent. I've called out two important areas of copy on this letter along with an orange highlight in the middle of the letter to address one important component here. When we're going out and making multiple pre-approved offers of credit, most underwriting teams are probably getting a little bit nervous. In order to help continue with your ability to underwrite a consumer, if a consumer comes in, accepts the pre-approval for a \$30,000 new auto, and then on the heels of that they want to get a personal loan for \$10,000. Your underwriters probably want the opportunity to look at how their credit and their capacity to repay has changed given taking on that new auto loan.

We accomplish that by the text that is called out on this letter. We call this process One and Done. It's communicated to the account holder in the following text. You can choose any one of the loan offers below as in the top text. It's also highlighted there on the blue bar. It says, "Choose one of the offers below." It's clarified a bit more in the please note underneath. It indicates that you've been pre-approved for your choice of one of the offers above. If you'd like to take advantage of more than one offer, or like to request more than your approved amount, please contact us. That is to allow for the capture of additional information and evaluate their changed credit profile based on the acceptance of the first loan.

Let's go ahead and move forward. This is an example, and Dave's going to show



you live. In addition to the letter, we also populate the offers within the online banking interface and we can move on. As well as mobile and you'll see it's very simplistic for the consumer. It's paint by numbers, one, two, three in order to express their desire to accept that loan offer. Now that we've walked through these different stages, I'd like to pass it on to Dave. I'm sorry. Thank you very much for reminding me. This last tool, this is to help support your sales team and it gives them visibility. They can log in daily and look up an account holder perhaps that is on the phone with them or across the desk from them to ultimately see the offers that are available. Dave's going to walk us through the online, the mobile, and the cross sell tool. Now, I'm ready to pass it to you, Dave.

**Dave:** Stephenie, can you confirm that my monitor is visible?

**Stephenie:** It is. Thanks, Dave.

**Dave:** Terrific, thank you. We're going to run through a few demos here of some of our interfaces, just a few. There are multiple interfaces available. Each of them configured to fit seamlessly into your host system, your online and mobile banking systems, so that they appear to be a seamless integration or part of those environments. What we're looking at here is one of our typical interfaces inside of an online banking website.

You can see that we have a tab here called My Offers. Everything beneath this navigation, this whole white area that I'm circling here, that is our interface. A lot of configurability within this interface, the messaging at the top is branded to your brand. Obviously, the whole website, this would be your header here. This is inside your existing online banking website. This intro messaging and footer messaging at the bottom is configurable. Certainly the products being offered are determined based on your portfolio and your desire to market certain products. The name of those products, even the icons are configurable, as are the term lengths that are available to each individual customer or member. You can see that each of these products has a different set of terms available specific to that product.

One thing I'd like to call attention to here on this page is just the unprecedented level of transparency that this information provides. Stephenie alluded to this as well. The traditional process of acquiring a loan is really closed. You don't see what is available to you or at what rate until you actually walk through an application process. That's really a significant barrier for both the consumer and the institution because a lot of the applications are rate driven. If I'm a consumer out in the market and I enter into any particular purchase market, if I haven't already made a determination or I'm not loyal to a specific lender, I'm going to shop on rate. I'll look around for the best teaser rate in the market and probably apply for that loan knowing, unfortunately, that most people don't ultimately get that teaser rate. In effect, it's a race to the bottom for the



institution. Everybody's competing on rate.

In this case, it's all laid out for me, 365 days a year. I can log into my online banking website. I can see exactly what I'm approved for across all these various product lines. I'm going to refresh the screen here. When I do, you'll notice that I'm going to see a different set of offers. Maybe some of my customers don't have offers at this time in this campaign. Let me, okay, this person has nine offers. Someone else might have just one or two offers. This person has eight offers. Each individual's offers that they're going to see are based on their unique profile, their financial profile. The products that they currently have with your institution, as well as product lines that they have open, trade lines open with other institutions.

You can also see here that we have an auto-refi product. This is what we call our Smart Refi or Auto Recapture Program. It's a simple recapture program that part of this whole experience. You can see that we've brought an existing loan balance from another institution. Typically, we'd be looking at things like auto loans less than a certain number of months old, carrying a certain balance. We'd look at payment. We'd make sure that the offer we're presenting is better than the rate or the payment that they're currently receiving from their other lender. In this case, it's a sample balance. It's lower probably than anything we would typically present. You can see here that this individual has \$30,000 available. We've brought in that loan balance. We've calculated their new monthly payment based on that. It's a simple refinance tool.

All of these offers are tailored to the individual, the pre-approved loan amount, the APR, and again even the terms that are available to each individual consumer. I can come in here and I can say, "I'm interested in this new auto, but I don't need \$30,000 today. Maybe I just need \$22,000." You can see that it's calculated my monthly payment. If I want to extend or shorten my loan term, in this case I have a few other terms available here. You'll notice if I extend, if I push this 84 month option, you'll notice the APR in the corner and the payment estimate will both adjust. That's based on your existing rate sheet, your rate card.

There's an element here of PFM, or personal financial management, that helps your customers make a decision and guides them toward the loan that's best for them. If I want this auto loan, if I decide that I indeed want to accept this offer, I just click the button here. There will be a really short process. You'll notice how simple this is, product messaging, specific to your institution and your product, so there's an opportunity for branded content here. The product specific disclosures are always a click away. You'll notice that the button here will take them to the product disclosure specific to this new auto product. Also in the back-end you can see there are links on each of these tiles that will take them to that as well. It is walk through, a very simple process, a pre-filled form. You can see Rashad Hayes here is the customer who's logged in, his \$22,000





that he'd like to request.

Then we're going to ask that they provide up-to-date contact information. This information is likely available within the core. In a lot of cases, it's not up-to-date. We want to make sure that they provide up-to-date contact information, either a phone number or an email, so you have that ready when this lead comes in. They agree to the terms and conditions of the loan. Then when they click finish, you'll notice they receive a product specific confirmation message. This message is going to tell them what to expect next. It might vary from product to product depending on your fulfillment procedures. This is going to direct them or at least let them know what they need to do.

Now, when I click off, you can see this new auto offer has been redeemed. What Stephenie had spoken about earlier, their ability to accept one of these offers has changed all these buttons. They are no longer approved. Now they must apply for these offers. These buttons will go through a different work flow specific to an application request. They can be linked directly to an online loan application for that product or they can go through a default work flow that explains to the customer that they already accepted, in this case, the new auto loan. Maybe this new auto loan is going to require an application. They can submit that request.

At the time that I clicked that button, immediately the loan request showed up in an email box here in my loan center. You can see here, I'll zoom in. This is a locked PDF that shows up. It's a pre-approved offer acceptance. Here's Rashad Hayes, who accepted that offer for the new auto loan. You can see it's the new auto loan, he wants \$22,000 of the \$30,000 that was available to him, his call back number is here, his account number, and he wanted an 84 month term at 2.99% APR. We can also see that it came from the home banking widget, so we're tracking where these responses come from, so that you know and so that when you reach out to, in this case Mr. Hayes, you can explain that you received his inquiry from the online banking system and expedite the funding of this loan. It's a very simple process. You saw that in most cases you can walk through that process in just a matter of seconds and removing all the friction from the lending process.

Let me move over to the mobile and we can take a look at the mobile interfaces. Actually, before I do that, I should just mention there are other interfaces that are in places within online banking that we can place these types of widgets. We have what we call compact or account summary page widgets that would fit within designated windows, usually on the account summary screen. That first screen that your customers see when they log into your online banking platform. Placement of these widgets is really determined by your online banking provider. Stephenie mentioned that we do integrate with nearly all the top providers today. I'm sure that we can accommodate almost all of your, whatever system you're using. If we don't currently integrate with them,



it is a fairly simple and straightforward process to make that happen.

Let's jump over to mobile. Mobile is one of the most exciting areas that we cover here because mobile banking today is not a profit center. In fact, every time one of your customers uses your mobile app to deposit a check or transfer funds, that's one less visit to the branch, one less opportunity to cross sell one of your profitable products or services. With this LoanEngine solution, we take that mobile app and turn it into a profit center. You can drive a lot of revenue out of your existing mobile banking app by simply providing this click to accept loan functionality.

You can see here again. This person has been pre-approved for multiple products. We do have an intro message. This is embedded into your existing mobile banking app. Direct call button, if they tap that button, it will call a number in your call center, whichever number you'd like that to do. If it's a tablet, this is a responsive design, so if the widget detects that this is not a phone, that it's actually a tablet, that button will disappear and will be replaced by a phone number. You can see they have all of these offers available to them. This is extremely powerful when your customers are out in the world, they're at retail or maybe they're just sitting on their couch. If they want to log in and see what they're approved for, they'll have that ready for them.

The conditioning that this program provides in terms of consumer behavior is also really powerful because today, or next week, I might log into these systems and see these offers. I might not be interested in any of them today. I'll know they're there. Six months from now, or nine months from now, when I am in the market for a new auto, I'll remember that I'm pre-approved for \$25,000. I'll log in and accept that loan, that path of least resistance is a huge benefit of this program. It positions you top of wallet, top of mind and gives your customers that insight that really they can't get elsewhere.

I'm going to refresh the screen. I'll grab a new set of offers here. We can see that the experience of accepting a loan within mobile is just as simple as what we saw with the online banking. We see some messaging, product messaging. Disclosures are behind this link. Then when we put Continue, they have that same ability to calculate their payment as you saw in the online banking widget. Maybe I just want \$15,000. You can see it's calculated my payment. I'm going to shorten my term. It's calculating my loan here, my loan estimated payment. I agree to the Terms and Conditions, click Accept. Again, with the phone number or email, it can place notes if they have any questions or notes they want to send along with this request. When they click Finish, it's really that simple.

**Stephenie:**

Dave, one thing, on the acceptance process you just walked through, I'm not sure if you addressed it or not, most of our clients are just as you depicted using phone number as a part of that redemption routine. That capability of requiring the email address is there as well. If you have an objective to increase your



email penetration, that might be another tool in your toolbox in order to accomplish it.

**Dave:**

Absolutely, yeah, we can work with you on those goals to ensure that you're capturing what you need. The process that we just saw, as simple as that is, that is a mobile friendly experience. That's what it's going to take to compete in the mobile landscape. Your mobile penetration and use I'm sure is increasing as it is across the industry. Mobile really is the new frontier. If you can't make acquiring an account or a loan that simple, you simply won't have a mobile friendly experience.

There are mobile loan applications available, really cool features where you can scan a driver's license and receive an instant loan approval. The problem with that is that it isn't providing this transparency up front as far as how much is available and what rate. Just the act of applying for a loan is a barrier and there's a perception from the customer perspective that if they see a button that says, "Apply", even if it's promising an instant response or some sort of streamlined process, just that word apply conjures up a feeling of, "I'm going to be into this for several minutes or longer." They'll abandon that application or not even click on it, just for fear of what's behind that button. When you can provide this type of experience and transparency, you really can compete at retail in the mobile environment, really exciting features for mobile and many more to come as we develop this program further. Stephenie, anything to add on the mobile before I move on to cross sell?

**Stephenie:**

One of the things we find and maybe this is as good a time as any, Dave, to mention it. We have worked with a variety of clients bringing this solution to market. Each client has different needs on the back-end when they take in these leads. The way that they go to market might be a staged approach. We have worked with a number of markets that first go to market just trying to digest the concept of multiple pre-approvals out to their account holders. Maybe they take the first step with that component and only execute through direct mail and email. Then maybe in the next campaign, they bring on board the online and mobile banking. If you could talk a little bit about any client experiences you've had in that space, just getting the organizations buy-in if you will?

**Dave:**

Sure. We've noticed really different approaches to implementation of this program. Some clients really go all-in from the get-go offering their full suite of products and services and really opting for all channels all at once. I think that's a great approach. Others have a tendency to ease into the program. There are a lot of moving parts here. It is a change in the way that you're presenting or communicating your product offerings to your customer base.

As such, we've seen some of our clients get really inundated with loan requests immediately. It can be a shock to the system. Different approaches we've seen



would be offering only a small set of products up front, maybe an auto loan and a credit card, or easing into the program from a credit risk perspective. Offering these pre-approvals to maybe only the A and B paper before starting to sort of ratchet up or down their volumes. There are different approaches. It really just depends on the culture and in many cases, the fulfillment and risk tolerance, the enrollment procedures and risk tolerance of the institution. We work with you. We consult with you to ensure that as you go live, as you bring this program live to your customers and to your organization, that you are ready for really the results that are going to come.

Another thing I would like to mention here is looking at this offer mix here. You can see there are products in here that normally wouldn't see the light of day in terms of marketing support, boats and RVs. These are products that because of the smaller adoption and the fact that we're not moving large volumes of boats probably throughout the year. Certain product lines never see marketing support within an institution.

With this program, it doesn't cost any extra to present additional offers or options. Boats and RVs and things like even home equity lines are products that haven't received a lot of marketing support in recent years just because of the lower response rates on a single product campaign. When you can layer on additional loan options without any additional cost to the program and provide those choices, you start to see all product groups, the needle move. You'll fund a lot of boat loans and a lot of RV loans. It becomes incremental revenue to the programs that you might be running today with single product pre-approvals. It's just another great value add to the program.

**Stephanie:**

You mentioned something, Dave, that brought to mind a question that a lot of times we receive as clients are looking at this as a solution. What types of loans does it generate? By the sure nature of most of our clients having auto as their default product, that means more auto offers go out to all of their account holders. What we do find is that I know we both have a different set of customers on this program and at least for our customer base, we see that new and used auto tends to be the most heavily redeemed product in this mix. For a lot of clients, that is welcome volume as opposed to not getting any volume from their account holders and just kind of opting out thinking everything's going to go indirect. We are seeing that this makes a difference in generating more of that direct auto business. Is that the same experience that some of your clients are having, Dave?

**Dave:**

Absolutely. Auto and vehicle loans tend to be the most – we tend to see the most redemption out of those products. Mainly I think because they've reached the widest audience. Second to that is usually credit cards. We do see in every campaign that we've run with our clients we've noticed there's never been a product group that hasn't received loan requests, unsecured loans, debt consolidation loans, which are certainly just unsecured loans in most cases,



vehicles like boats and RVs, and home equities. If you find just a handful of home equity loans in one of these campaigns, again that's incremental revenue to what you would have experienced with a single product campaign.

Home equity loans are a very profitable product and so is an unsecured loan because they typically carry a higher rate. You can also remarket these products. A personal loan is an unsecured loan. In a lot of cases, our clients offer that or repackage that loan under different names and market it to different segments. Things like debt consolidation loans might go to individuals who have been identified to have multiple trade lines elsewhere, or balances that we might be able to consolidate together. Student loan offers might go to a certain segment, either an age group or potentially a group of individuals who are known to have college-aged children. We can market the product in a way that is personalized to the individual and to their profile, and name that product, and provide messaging for that product that will appeal to that individual.

**Stephenie:** Really with the last component, the cost sell tool, really arm your sales team with the tools that they need to have real in-person conversations with their account holders.

**Dave:** Yeah, this tool is really as fun as the mobile and the online are to demo and to look at and we certainly see a lot of engagement in those from customers. This cross sell tool is a really powerful tool. It is very easy to use. The information it provides and the streamlined process becomes a tool that sales people go to time and time again. We get so much positive feedback about this tool. You can see here I'm logged in as an admin. An admin will see certain controls here, different features like the analytics. They can check in on their campaign results. It can add users. It can have some more advanced functions.

The typical user would log in and they'd have a dashboard and a new loan process. The dashboard you can see here. I'm logged in here. I'm Dave. You can see I have no sales today, this week, this month. I have no sales. I'm brand new to this campaign. Stephenie has three sales. She's on the leader board. The leader board will display the top ten sales people within your organization in order based on their number of sales that they have this month. It's a great way to incent some internal rivalry or even do some incentive programs, whoever's on the top of the leader board on Friday gets a gift card or something.

The process here is extremely simple. I just keep this minimized on my screen. A customer walks into the branch and in a lot of cases, we will provide a list that will allow you to load alerts into your front of house systems that indicate that a customer has pre-approvals. If you see that alert, if I'm a teller at the teller line and I see that alert, I'm going to pop open this interface and I'm going to look up my customer. In this case, Xenos and we'll see what Xenos has available here. We can see Xenos, I'm guessing that's how you pronounce that, has quite



a few loan offers available.

What's great about this from a cross sell perspective is that I can key it off of everyday conversations that I might be having with customers at the branch. For instance, this individual might walk in and maybe they have paint on their shirt. Mr. Hancock, it looks like you might be doing some remodeling work. He indicates yeah, he's working on his house. That's great. Did you know that you're already pre-approved for \$150,000 home equity line of credit if you could use some extra money for your project? I can take care of that for you today. You don't even have to fill out a full loan application. You're not inviting that customer to go sit down at a desk, through a long process, fill out a loan application, and then possibly be denied. Instead, I can offer these products in confidence knowing that these people are pre-approved and that I have these offers available to them right now. If he indicated, "Yes, I would like that home equity line of credit," I'd just add it to my cart here.

Again, these PDFs along the side, those are the disclosures for that offer so I could print those out, send those home with him if I'd like. Then I just walk through the process of accepting that loan and moving it through to fulfillment. This is a line of credit so there's no term length. I can indicate how much he's interested in. We can also provide minimums if you have minimums so they can't accept too small of an amount. They can attach a proof of income or a stated income, again, with the notes. All of this is optional. Then as I click through here, it's just one last confirmation. Now, this is going to move through to fulfillment. More importantly to me as a sales person, I now have credit for that sale today because that's being tracked, that's being tracked by branch. It's being tracked by every channel where these loan redemptions are coming in. We're tracking that. It's coming in through this analytics dashboard here.

**Stephenie:**

Dave, one of the important components is, in the case of Xenos, if Xenos would then go into their online banking experience at home. That One and Done will have already been applied. The tools connect with one another. Xenos would go home and log into banking. They would see that one loan had been redeemed. Everything else would be an offer to apply. There isn't confusion in the process. If Xenos would go to another branch, they would pull up Xenos information and they too would see that Xenos had already redeemed a loan. Again, the interconnectivity is really important here.

**Dave:**

That's right. It's all working together in real-time, all channels and the tracking. You're insuring that somebody can't overextend themselves by accepting more than one offer on the different channels. That's a key component to this system making it a truly omni-channel approach. You can see here, here's my \$75,000 that I got credit for. Stephenie is way up on the leader board with ten. We can drill down and run all sorts of reports here based on products being accepted and loan volumes. You can see the total of the credit lines accepted in this campaign so far. There are multiple reports to run. You can look at those at any

time.

**Stephenie:**

As we look at this, that functionality is available to your administrative users once we set those up at the beginning of the campaign. That gives you some real-time insight into the performance, along with the end of campaign performance reports that we provide. I think it's probably beneficial, Dave, if we flip over and just show some information on the results some of our clients have been achieving. While we're waiting for that, we do get a question quite often come in from clients of how long does this process take to set up? Generally, what we're finding with clients is it takes about 12 weeks to set up the initial campaign. Subsequent campaigns to repeat that process, your engagement as a client is about two weeks.

In terms of what we've seen on clients, we talked before about clients implementing in different ways. This is an example of one of our clients. They had about 57,000 account holders. They had right about that third 18,000 that qualified for pre-approvals. They offered a variety of loans. You can see here, auto, ATV, personal loans, a platinum credit card, even snow machine loans. That might be a giveaway of where they are in the country. The difference for this particular client was dipping their toe in the water. They only wanted to send it out with direct mail and email. Their first campaign, they said, "Let's just keep it at 30 days." Even running the campaign at 30 days, they were able to achieve a 1.83% response rate and a cost per booked loan as low as \$82.

As we mentioned with others as well, auto loans tended to be the most frequently redeemed product. That's what was a real driver here of the \$16,000 average balance. The campaign overall generated almost \$5.8 million dollars. Ultimately delivering an 876% return on marketing investment for this client. We have two other case studies that are included. They'll be available in the document that's posted. Post the time together today. Let's look at the next one given that we're short on time. This is a little bit larger of an example of what a client has done with us. Account holders, similar in size. They have 49,000. The last one was 57,000. They had a few less account holders qualified. They had 10,000 that qualified. They had a more narrow product set. They just did new and used auto, credit card, and personal loans.

This client ran the campaign for the recommended duration of 90 days. They had an impressive 4.2% response rate. Then you'll see something that looks a little funny. You'll see 4.39% booked loan rate. The reason for that is they chose not to use that cross sell tool that we were using. We didn't have visibility to the account holders that came in through their branch network until we went and did the reporting. When we did the reporting, we saw those account holders had booked loans. What we experienced for this particular client similar average balance in that \$16,000 range and similar total balances generated at close to \$5.7 million. For this particular client, because of the number that qualified, overall their return on marketing investment was 1,151%.



Another we often get questioned on and I'll wrap with this is how many come in through online banking or digital banking? We see that grow over time. The first campaign it's somewhere between 10% and 30%. With that, Jeb, I'll let you close us out.

**Jeb:**

We want to thank you for attending today. As a reminder, a recording and this deck will be sent to you next week. Thank you again for attending. This ends today's seminar.