




Presentation materials and video replay will be provided within one week.

Have questions? Use the questions panel –  we'll field them as we go and during the Q&A recap at the end of the call.

10 Creative Best Practices to Accelerate Your Auto Lending Marketing

September 15, 2016

Proprietary / Confidential

Today's Speakers



Kris Niblett

Creative Director, Harland Clarke Marketing Services

- 20+ years experience creating strategic, award-winning, multichannel direct marketing communications for financial institutions and other industries
- Drives results for major brands, including large financial institutions, community banks and credit unions.
- Leads creative team that has won more than 100 industry awards, including Hermes Awards, DMA Echo Awards, Graphic Design USA Awards and the London International Advertising Award



Stephen Nikitas

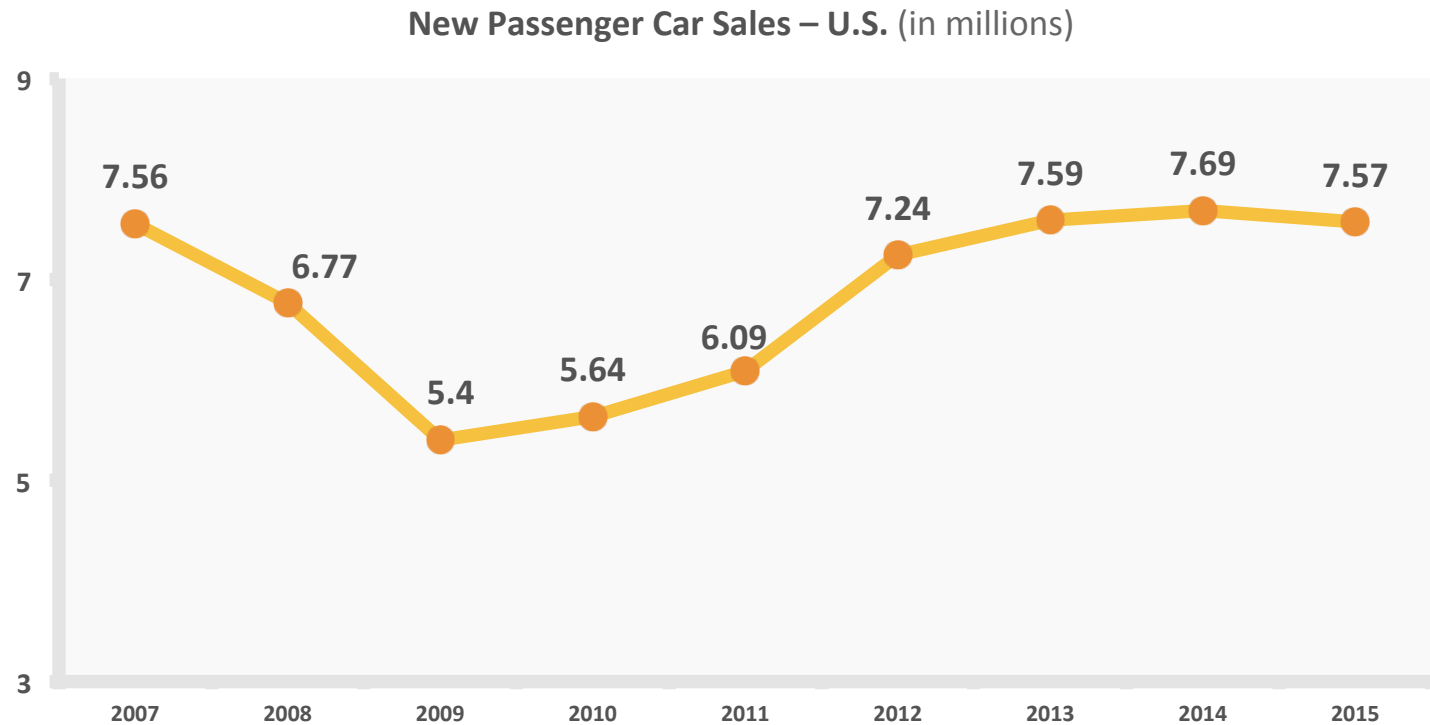
Senior Strategy Director, Harland Clarke

- 30+ years experience in strategic planning, marketing, public relations and executive speechwriting
- Provides consultative services to banks and credit unions
- Develops marketing and retail strategies and campaigns to grow targeted portfolios

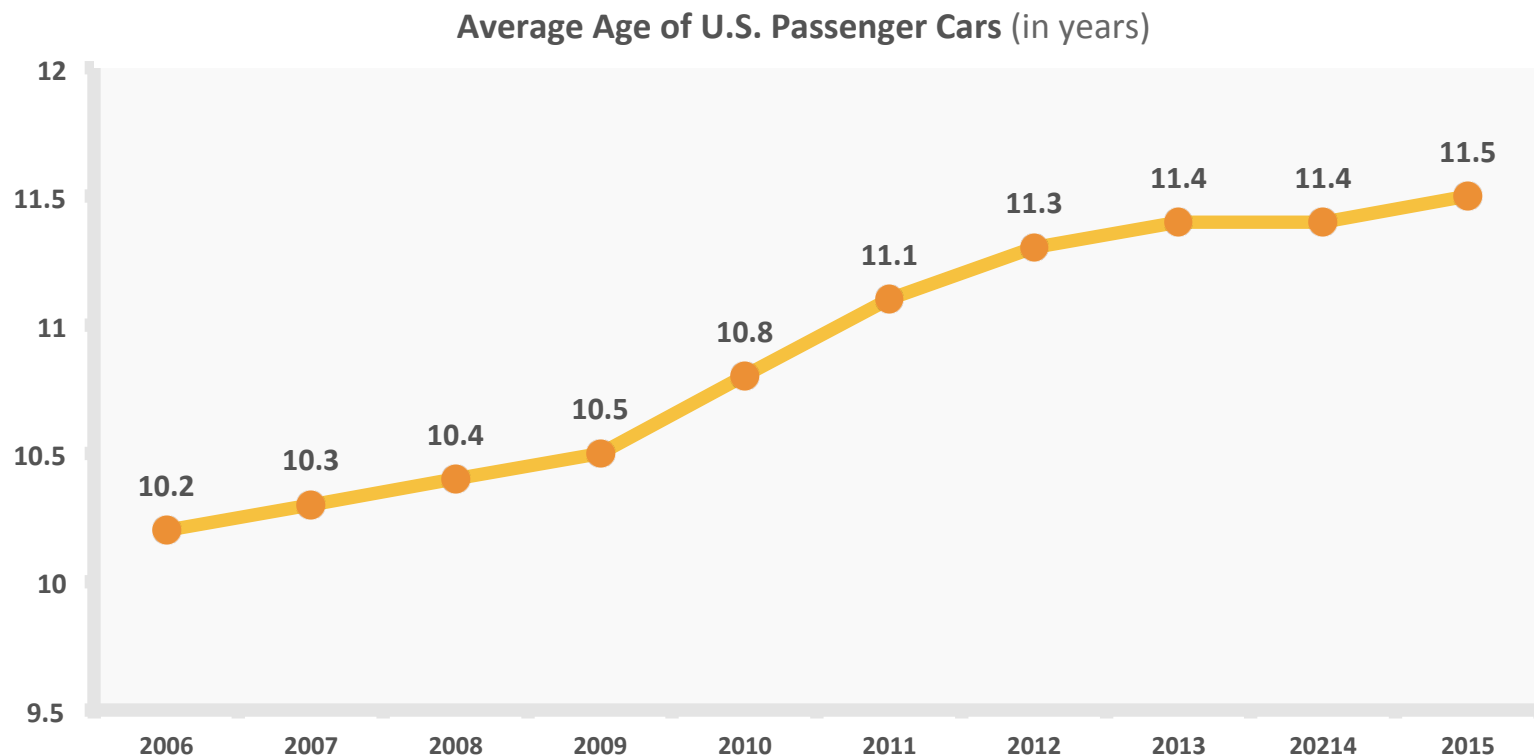
Today's Agenda

- Auto lending trends
- Creative challenges
- 10 creative best practices
- Legal requirements
- Examples and creative analysis
- Q&A

Auto Lending Trends

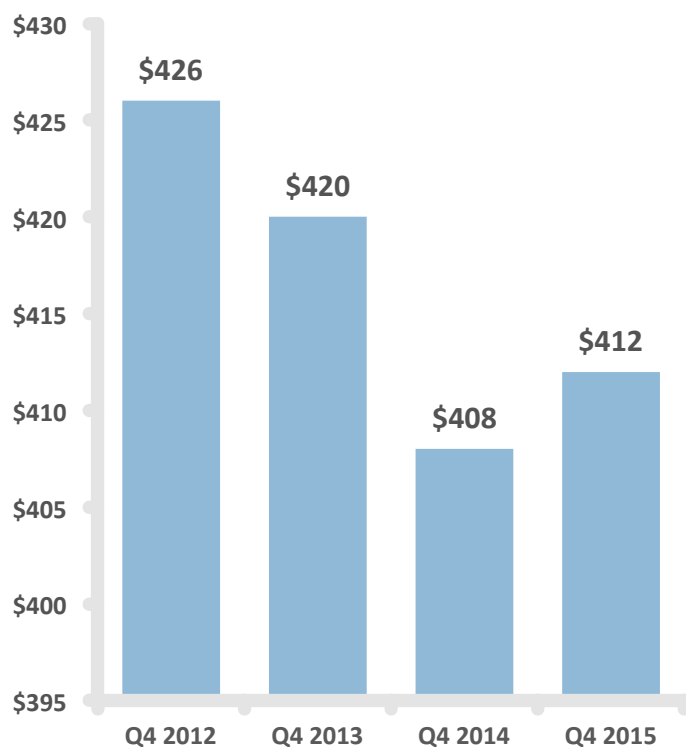


Auto Lending Trends

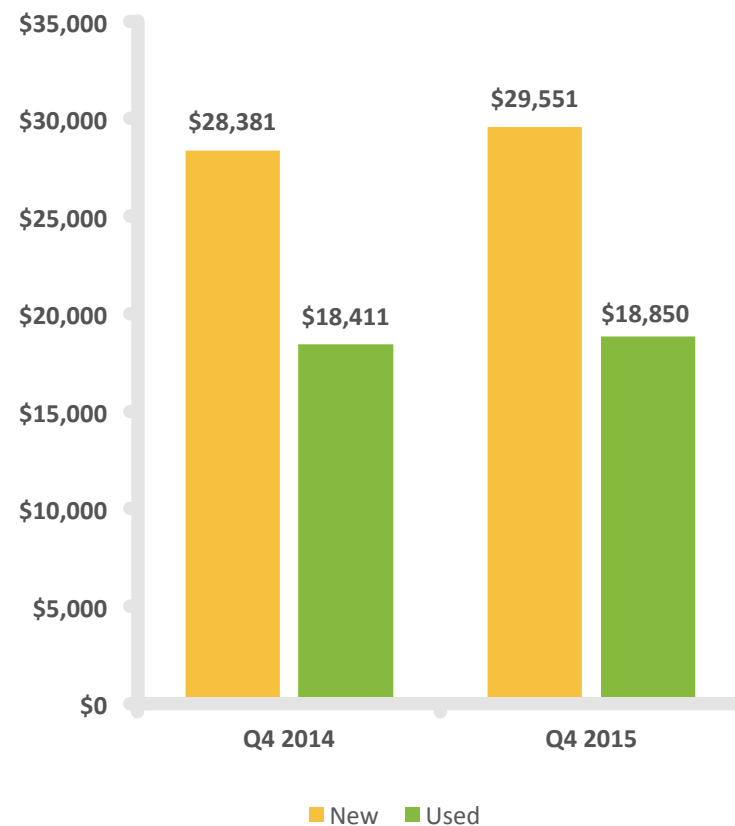


Auto Financing

Average Monthly Auto Payment

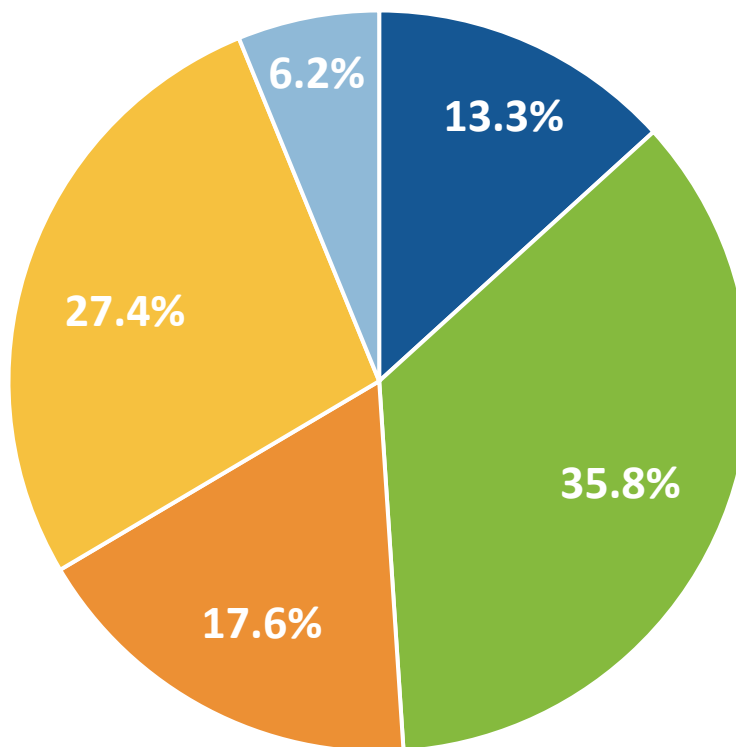


Average Amount Financed



Auto Financing

Share Of Auto Loans



■ Finance Companies ■ Banks ■ Credit Union ■ Captives ■ Buy Here Pay Here

Strong creative accelerates success!



Creative Challenges

1

Consumers strongly dislike auto purchase process

2

Competition is fierce

3

Consumers are shopping around

4

Legal requirements are onerous

5

So many options — buy, lease, financing

Creative Fundamentals for Auto Lending and Refinance

Stand out by cutting through mailbox, inbox clutter

Make the lending/approval process feel easy

Call out competitive rate offer that interrupts rate shopping

Make it urgent with offer end date

Emphasize key benefits and product features

Keep it readable to keep prospects engaged

Leverage brand to strengthen value proposition

Use strong, clear call to action to create urgency

Offer response channel options for easy response

**Design and
deliver your
message in the
most relevant,
compelling way**



Legal Requirements

Requirements

- Opt-out box (for pre-screened offers)

Disclosure guidelines from the Fair Credit Reporting Act (FCRA)

Note: Pre-screened offers require both the short opt-out notice on the front of a piece and long opt-out notice on the back or front of a piece

- Opt-out box graphic requirements are:

Short notice

- Front of the mail piece
- Type must be distinct, at least 12 point font
- Inside a border

Long notice

- Back or front of the mail piece
- Must begin with “Pre-screen & Opt-out Notice”
- Typeface must be distinct, at least 12 point font

This material is for informational purposes only and should not be construed as financial or legal advice. Please seek guidance specific to your organization from qualified advisers.

Source: FCRA (Fair Credit Reporting Act) Guidelines
<http://www.occ.gov/news-issuances/bulletins/2005/bulletin-2005-7.html>

Top 10 Creative Best Practices



Mail formats

- #10 Envelope – good for account holders and prospects
 - Space for certificate or live check and disclosure for prescreened offers
- Postcard – promotional, awareness-raising approach for prospects with no prescreened offer
- Both are cost-efficient



“As low as” rate

- Entice with competitive rates “as low as X”
- High-profile Johnson Box or sidebar
- Callout on envelope

Top 10 Creative Best Practices



Prescreened callout

- Preselected/prequalified/preapproved
- Makes buying process easier



“Bonus” offers

- Delayed payments — no payment for 60-90 days
- Check made out to dealer — empowering!
- Save — “Refinance your current loan at an X% lower rate”, savings chart
- Cash bonus offer – \$200
- Sweeps (free gas, free payments)

Top 10 Creative Best Practices



Good experience — fast, easy approval

- Creative can make process feel easy
- Approval in as little as X hours or days



Urgency

- Tie offers to specific end date
- Restate end date in letter postscript

Top 10 Creative Best Practices



Clear call to action

- Tell account holder or prospect exactly how to apply
- Make it sound easy
- Make the offer pop — explain exactly how to get offer



Easy to respond

- Dealer, branch, call, online

Top 10 Creative Best Practices



Account holder vs. prospect

- Account holder — position as “offer for account holders”
- Prospect — make more promotional to stand out



Leverage brand

- Differentiating
- A trustworthy brand is part of the value proposition
- The trust factor for account holders

Recap: Messaging Hierarchy

Elements to remember

- Prescreened
- As low as XX% APR
- Account holder exclusive offer?
- “Bonus” offers such as delayed payment, cash, etc.
- Lower your monthly payments (i.e., refi savings)
- Empower account holders to make a deal (check, preselected certificate)
- Quick and easy to apply with fast approval
- Urgency and easy to respond

Real Estate Allocation for Auto Lending

Harland Clarke RefiGenius™ Program Mail & email

A good example of Creative Best Practices

- Identifies your account holders' credit relationships with other financial institutions using three credit bureaus
- Sends personalized refinance offer to pre-screened, creditworthy account holders
- Sells credit products, including auto loan, mortgage, HELOC, home equity loan, personal loan
- Designed to interrupt shopping behaviors with in-market communications
- Creative built on best practices for auto lending
- Applicable to your auto lending initiative



Key Creative Elements — Mail

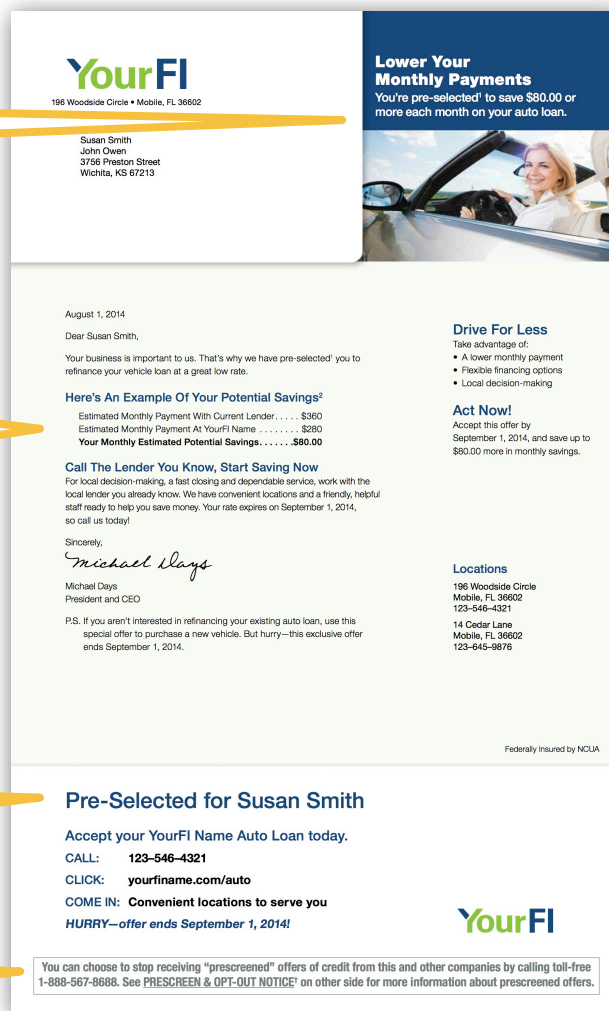
Lower your monthly payments

Great low rate

Savings chart

Pre-selected

Short Form Opt-Out



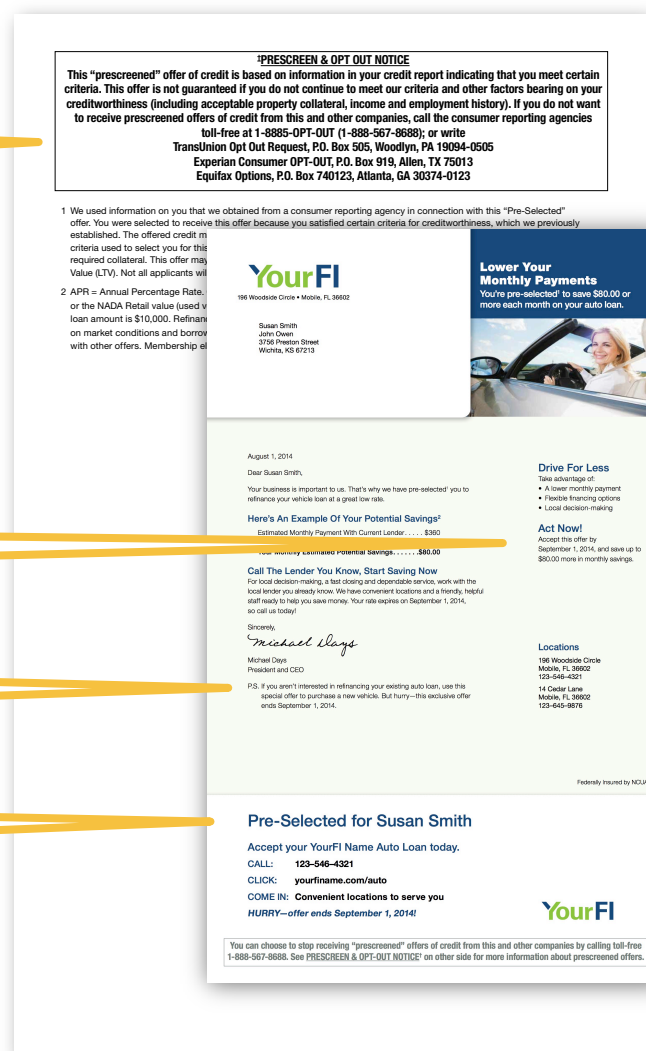
Key Creative Elements—Mail

Long notice opt-out box

Call to action — end date

P.S. refi or new loan — end date

Certificate call to action/channels



Key Creative Elements — Email

Subject line: “Save”

Pre-selected

Savings chart

Call to action button

FCRA-compliant disclosures

Save money on your auto loan refinance! | View in a Browser

YourFI
196 Woodside Circle • Mobile, FL 36602
123-546-4321
yourfiname.com/auto

Susan Smith,
You've just been pre-selected¹ for an auto loan refinance!

For all your borrowing needs, choose the lender you already know and trust. With YourFI Name, you're pre-selected¹ to refinance your vehicle loan at a great low rate.

Here's An Example Of Your Potential Savings²

Estimated Monthly Payment With Current Lender	\$360
Estimated Monthly Payment At YourFI Name	\$280
Your Monthly Estimated Potential Savings	\$80.00

[Learn More](#)

Drive for less! Take advantage of:

- A lower monthly payment
- Flexible financing options
- Local decision-making

Hurry—Offer ends September 1, 2014!

Accept your auto loan refinance today

Call: [123-546-4321](tel:123-546-4321)
Click: yourfiname.com/auto

Your local choice for loans!

You can choose to stop receiving “prescreened” offers of credit from this and other companies by calling toll-free 1-888-567-8688. See **PREScreen & OPT-OUT NOTICE**¹ below for more information about prescreened offers.

¹PREScreen & OPT-OUT NOTICE

This “prescreened” offer of credit is based on information in your credit report indicating that you meet certain criteria. This offer is not guaranteed if you do not continue to meet our criteria and other factors bearing on your creditworthiness (including acceptable property collateral, income and employment history). If you do not want to receive prescreened offers of credit from this and other companies, call the consumer reporting agencies toll-free at 1-888-567-8688; or write TransUnion Opt-Out Request, P.O. Box 505, Woodlyn, PA 19094-0505 Experian Consumer OPT-OUT, P.O. Box 919, Allen, TX 75013 Equifax Options, P.O. Box 740123, Atlanta, GA 30374-0123

¹ We used information on you that we obtained from a consumer reporting agency in connection with this “Pre-Selected” offer. You were selected to receive this offer because you satisfied certain criteria for creditworthiness, which we previously established. The offered credit may not be extended if, after you respond to this offer, we determine that you do not meet the criteria used to select you for this offer or any other applicable criteria bearing on creditworthiness, or if you do not provide the required collateral. This offer may also be withdrawn if the value of the vehicle you are refinancing exceeds 100% of Loan-to-Value (LTV). Not all applicants will qualify for the lowest rate.

² APR = Annual Percentage Rate. Offer based on loan term of 60 months. YourFI Name finances 100% of MSRP (new vehicles) or the NADA Retail value (used vehicles). The maximum interest rate for this offer is 11.55% APR and the minimum approved loan amount is \$10,000. Refinance restrictions apply. Rates current as of August 1, 2014, and are subject to change based on market conditions and borrower eligibility. Other rates and terms available. Subject to credit review. May not be combined with other offers. Membership eligibility is required.

Federally insured by NCUA

Arizona State Credit Union: Auto Loan or Refinance

Target Member cross-sell

Preapproved \$40,000 certificate

Offer 2.45% APR for new or used vehicle loans

Offer sweetener Three months no payment, 0.25% APR discount, skip two payments during life of loan

Urgency Offer end date

Format Letter package

Call to action Call, go online, take certificate to branch or dealer

Well Done

- Preapproved emphasis
- Bold rate call-out in sidebar
- Well branded
- Three-step offer presentation
- Preapproved cash amount called out visually
- Can be scanned
- End date

The image shows a pre-approved auto loan certificate from Arizona State Credit Union. The top section features the Arizona State Credit Union logo and the headline "You're pre-approved for \$40,000!". Below this, a "Dear [Name]" salutation is followed by a congratulatory message. The certificate outlines three steps for redemption: calling 888.828.2090, going online to azstcu.org/40K, or visiting a branch. A sidebar titled "Special Offers" lists benefits: no auto loan payment for the first 3 months, a 0.25% APR discount, and skipping two payments during the loan's life. Two boxes highlight the "New Vehicles" and "Used Vehicles" rates at 2.45% APR for 40-month terms. The bottom section includes a signature from Debbie Meshey, VP Member Sales, and a red banner stating "AUTO LOAN PRE-APPROVAL CERTIFICATE". The certificate is payable for \$40,000, written as "Forty Thousand and 00/100 DOLLARS". It also includes a "You're Pre-approved!" stamp and a redemption instruction: "REDEEM AT BRANCH OR DEALERSHIP". The offer expires on June 22, 2014.

You're pre-approved for \$40,000!

Dear [Name],

Congratulations! You're pre-approved for an auto loan up to **\$40,000**. Whether it's a new car for the entire family, a second car to have on hand or a teenager's first ride – we're here to make your auto financing quick and easy. Here's how:

Step 1: It's already taken care of – you're pre-approved.
Step 2: Redeem this offer 1 of 4 ways:

- Call 888.828.2090, or
- Go online to azstcu.org/40K, or
- Bring the certificate below to one of our convenient branch locations, or
- Go straight to the dealership and show them the certificate below. This will streamline the process and make negotiating a breeze.

Step 3: Decide on the ride you want and go! It's that easy.

Plus, with your new auto loan you will receive three months of no payment, a 0.25% APR discount and you can choose to skip two payments during the life of your loan. **Hurry, this offer expires June 22, 2014.**

Sincerely,
Debbie Meshey
Debbie Meshey
VP Member Sales
Arizona State Credit Union

Special Offers

- No auto loan payment for first 3 months¹
- 0.25% APR discount¹
- Skip two payments during the life of the loan¹

New Vehicles

Bottom As Low As
2.45% APR¹
For 40 Month Term
2013 and Newer
Additional Financing Available.

Used Vehicles

Bottom As Low As
2.45% APR¹
For 40 Month Term
2010 through 2012
Additional Financing Available.

You have the right to opt out of receiving prescreened solicitations by phone at (888) 567-8688. See reverse side for PRESCREEN & OPT OUT NOTICE.

¹ See reverse side for complete details.

AUTO LOAN PRE-APPROVAL CERTIFICATE

This is an official pre-approval certificate for up to the amount indicated.

PAY TO THE ORDER OF _____ **\$40,000**

Forty Thousand and 00/100 DOLLARS

You're Pre-approved!
REDEEM AT BRANCH OR DEALERSHIP
Offer Expires June 22, 2014

Arizona STATE CREDIT UNION

Family Savings Credit Union: Auto Loan Refinance

Target Members and prospects

Preselected rate offer As low as 2.79%

Offer sweetener Delay payment for 45 days

Lending partner RateGenius

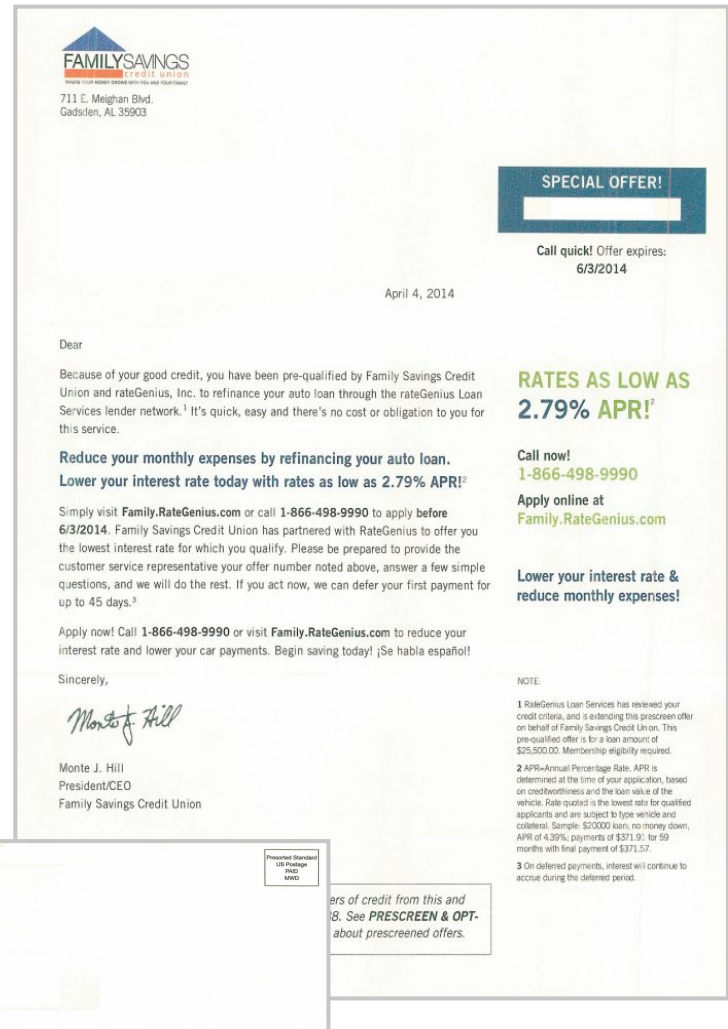
Urgency Promo code required, offer expiration

Format Letter package

Call to action Apply online

Well Done

- Leads with low-rate
- Pre-qualified
- Recognizes consumer's good credit
- Promo code with end date
- Positions offer as exclusive and urgent



Fleet Financial Auto Finance Solutions: Auto Loan Refinance

Target Prospects

Preselected rate offer As low as 5.80%

Message Save \$586 over next 12 months; skip a payment

Monthly payment Chart

Format Letter package with urgent, official envelope

Call to action Call, go online, use PIN

Well Done

- Powerful savings benefit demonstrated in chart and at top of letter

Fleet Financial
www.fleetautofinance.com

ACCREDITED BUSINESS

888-895-0087

Dear

In the Next 12 Months You Can Save \$586!

Call 888-895-0087 Now

- ✓ You are paying too much for your vehicle and we can help.
- ✓ You are pre-qualified to refinance your vehicle at a lower rate.
- ✓ Act now and you can save thousands over the life of your loan!

WHAT	Current Payment	New Payment	Annual Savings
	\$357.00	\$308.13	\$586

Plus, you'll skip your next payment! Don't make another payment for 45 days.

We also offer a "Cash Out" option.

You can save on your monthly payment AND get extra cash today.

Bad Credit? Ask us about our program to help you clean up those past defaults!!!

WHY	Current Rate	New Rate
	12.99%	5.80%

You are paying too much and deserve a better rate.

Fleet Financial is a national auto finance company that specializes in auto refinance and employee purchase programs. We are accredited by the Better Business Bureau and a member of the American Consumer Council. We have helped thousands of people save thousands of dollars, getting them the rates they deserve. Read our customer testimonials online!

Visit our Fleet Financial Facebook Page OR visit our website at www.fleetautofinance.com

Log On or Call Now and start saving today!

<http://autorefi.org> OR 888-895-0087

YOUR PERSONAL PIN IS:

We are open on weekends • Ask about flexible loan terms (24-84 months)

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

*See reverse side for additional terms and for important consumer rights under federal law and for terms and conditions of this offer.

Fleet Financial
7257 S. Tacoma Way
Englewood, CO 80112

FIRST OFFICIAL OFFER

IMPORTANT TIME SENSITIVE MATERIAL ABOUT YOUR AUTO LOAN

REQUEST FOR ACTION—IMPORTANT VEHICLE INFORMATION ENCLOSED

WARNING: THERE IS A FLOOD FUEL ON THE IMPROPER USE OF THIS LETTER FOR ANY PERSON CONTRACTING OR INTERFERING WITH THE DELIVERY OF THIS LETTER. U.S. MAIL REG. 1798

REFINANCE YOUR AUTO LOAN TODAY!
RECEIVE CASH BACK AND NO PAYMENTS FOR 45 DAYS!
See inside for details

Presorted Standard US Postage PAID Baltimore, NJ Permit No. 1509

Mission Federal Credit Union: Auto Loan or Refinance

Target Members and prospects

Offer Monthly payments as low as \$295, not pre-screened

Offer sweetener Defer first payment up to 90 days; sweepstakes to win a monthly payment

Format Letter package

Urgency End date with promo code

Call to action Apply online, call, branch

Well Done

- Strong emphasis on low monthly payment



Nationwide Bank: Auto Loan Refinance

Target Cross-sell customers who already have home or auto insurance products

Pre-approved

Rate As low as 2.25% APR

Offer sweetener No application fees, flexible terms

Message Two ways to save: refinance and pay off your car sooner or refinance at a lower rate and lower your monthly payments

Format Letter package with insert

Quick and easy

Call to action Go online or call

Well Done

- Strong focus on rate savings
- Simple savings chart
- Clear branding “launches” Nationwide Bank
- Clean layout can be scanned

The collage displays various Nationwide Bank marketing materials for auto loan refinancing. It includes a pre-approval notice, a letter package with an insert, and a savings chart.

Pre-Approval notice for:

LOWER CAR PA

Refinance your a **2.25%**

You're Pre-Appi

REFINANCING. IT'S NOT JUS

Refinance your auto with Nationwide® Bank.

VISIT NationwideBank.com/mycar

NATIONWIDE BANK AUTO LOANS

Rates as low as **2.25% APR***

Same great rates for new, used and refinanced loans

No application fees

Flexible terms*

JUST LOOK AT THE NUMBERS.

See the table on the back to see how much you could save by refinancing your auto loan with Nationwide® Bank.

Refinance your car with a low rate and save.

SEE HOW MUCH YOU COULD SAVE	Available Loan Terms up to	Exclusive Rate as low as	\$15,000 Loan Refinance — pay just
	48 months	2.65% APR	\$330 a month
	60 months	2.25% APR	\$265 a month

Nationwide® Bank

Loan is subject to credit application and loan approval. Not all persons will qualify for the above annual percentage rates. Programs (including without limit, fees, rates and National) are subject to change without notice. Nationwide Bank, Member FDIC. Nationwide Bank and the Nationwide Bankmark are service marks of Nationwide Mutual Insurance Company. © 2014 Nationwide Mutual Insurance Company. All rights reserved.

Virginia Credit Union: Auto Loan

Target Members and prospects

Get pre-approved fast

Rate As low as 1.99% APR, First-Pay-Delay

Key message Fast, easy approval, move existing loan from other provider, seasonal Spring message

Format Postcard

Call to action Go online, call, visit

Well Done

- Leads with great low rate and includes savings chart



The postcard features the Virginia Credit Union logo at the top left. The main headline reads "MORE SCORES" in large white letters on a blue background. Below it, it says "Car loan rates as low as 1.99% APR*". To the right of the text is a photograph of a smiling woman standing with two young girls in front of a white car. The bottom half of the postcard contains a table titled "Save on interest & lower payments" with an example calculation. Below the table is a section titled "WHAT WOULD YOU DO WITH MORE?" and a small box for postage. At the bottom, there are icons and text for contacting the credit union via phone, website, in-person, or mobile devices.

Virginia Credit Union®

MORE SCORES

Car loan rates as low as **1.99% APR***

SCORE A LOW RATE CAR LOAN AT VACU

The weather has finally changed and it's a great time for a fresh start in a new or used car, truck or SUV.

Rates as low as 1.99% APR*

- Buy a new or used car
- Move an existing car loan from another lender
- Get pre-approved fast to help you negotiate
- Ask us about our First-Pay-Delay option

Get a fast, easy pre-approval

To get started enter **MoreScores** in the search box at vacu.org, call us or visit a branch.

*APR current as of 4/16/14. Your APR may differ based on your loan amount, repayment method, and other factors. Call for current rates and other terms or visit vacu.org.

Save on interest & lower payments
Example: \$20,000 new or used car loan for 66 months

Lender	APR	Monthly Payment	Total Interest Paid
VACU	1.99%*	\$320	\$1,131
Bank A	2.99%	\$329	\$1,714
Bank B	3.99%	\$338	\$2,310

WHAT WOULD YOU DO WITH MORE?

P.O. Box 90010
Richmond, VA 23225

PRESORTED STANDARD
U.S. POSTAGE
PAID
RICHMOND, VA
PERMIT #250

Virginia Credit Union®

CALL
(804) 323-6800
(800) 285-6609

CLICK
vacu.org

COME IN
Visit a branch

CONNECT
Apple® & Android™
mobile devices

Federally insured by NCUA

ABCO Federal Credit Union: Auto Loan

Target Member cross-sell

Offer Transfer your loan and get 3% below your current rate or more

Key message Reduce your monthly payment by up to \$100, also includes offers for credit card on address side

Format Uses one side of postcard – other side promotes balance transfer offer for Visa® credit card

Urgency For a limited time

Call to action Apply online or call

Well Done

- Inexpensive way to show that ABCO will work to lower your current auto loan rate and save you money

Two Ways to Transfer and Save

TRANSFER YOUR AUTO LOAN TO ABCO
& YOU COULD RECEIVE

3% APR* BELOW
YOUR CURRENT RATE OR MORE**
for a limited time

You could reduce your monthly car payment by up to \$100!

Find out how much you could save by refinancing/apply online at goabco.org/mycarpayment

ABCO Federal CU Credit Union

*APR=Annual Percentage Rate
**Sorry, no rates lower than 2.49% APR. ABCO car loans excluded. Some vehicles will not be eligible for refinance. Not all will qualify. Normal underwriting guidelines apply. Offer ends June 20, 2014.

1% CASH BACK
ON BALANCE TRANSFERS
FOR A LIMITED TIME

Cash will be deposited directly into your savings account***

Introductory rate of 6.75% APR* on balance transfers for the first 6 months**

Visa® Card Features:

- Fixed rate as low as **6.75% APR***
- No balance transfer fee
- No annual fee on most cards
- Earn reward points on purchases to use towards valuable merchandise

Apply online at goabco.org/visa

ABCO Federal CU Credit Union

Priority STD U.S. POSTAGE PAID 000000000000

P.O. Box 247 • Rancocas, NJ 08073-0247

Questions or prefer to apply over the phone? Contact the Lending Dept. at 1.800.225.1859 ext. 7613. Hours M-F 9:00am-6:00pm Sat 9:00am-1:00pm

*APR=Annual Percentage Rate
**After the six-month introductory period, rates will vary based on creditworthiness. The current range is 6.75% APR - 17.99% APR as of 6/20/14. This range is subject to change based on market conditions. Normal underwriting guidelines apply. Existing ABCO credit card balances do not qualify for the introductory rate.
***1% of the approved balance transfer amount will be deposited directly into your Primary Savings Account. Existing ABCO credit card balances do not qualify for cash back reward. Offer ends June 20, 2014.

Chartway Federal Credit Union: Mortgage Referral

Target Member and prospects

Rate As low as 1.99%

Offer sweetener No payment for 45 days, plus enter to win free gas for one year

Message Fast approval — get an answer in as little as two hours

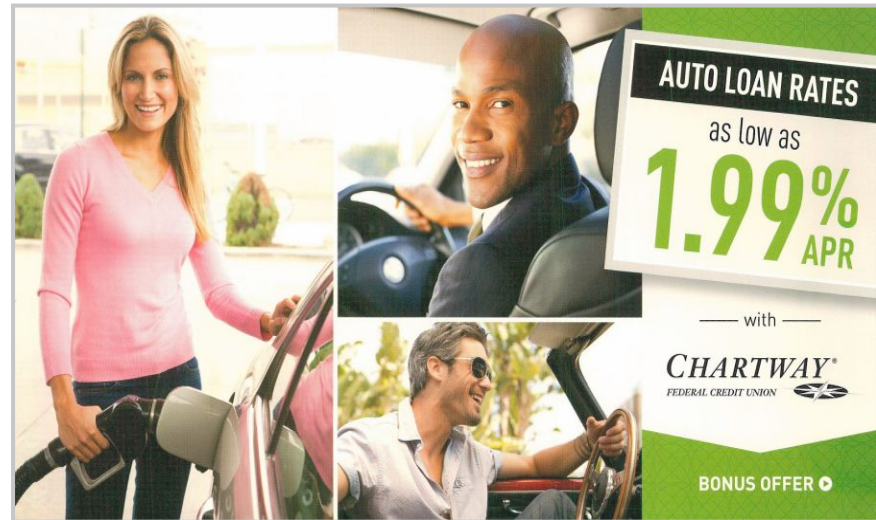
Format Postcard

Urgency Limited time

Call to action Call, go online

Well Done

- Attention-getting and promotional
- Focuses on low rate and free gas offer



Beyond Mail: Integrated Multichannel Campaigns



Email

- Account holder cross-sell
- Great for relationship-based offers
- Piggyback onto e-newsletter streams



Branch

- Take-ones
- Posters
- Tent cards
- Banker sheets



Web

- Online banking pop-ups
- Drive to landing page



ATM

- Promotional messaging and offer coupons



Mobile

- Integrated promotional messaging

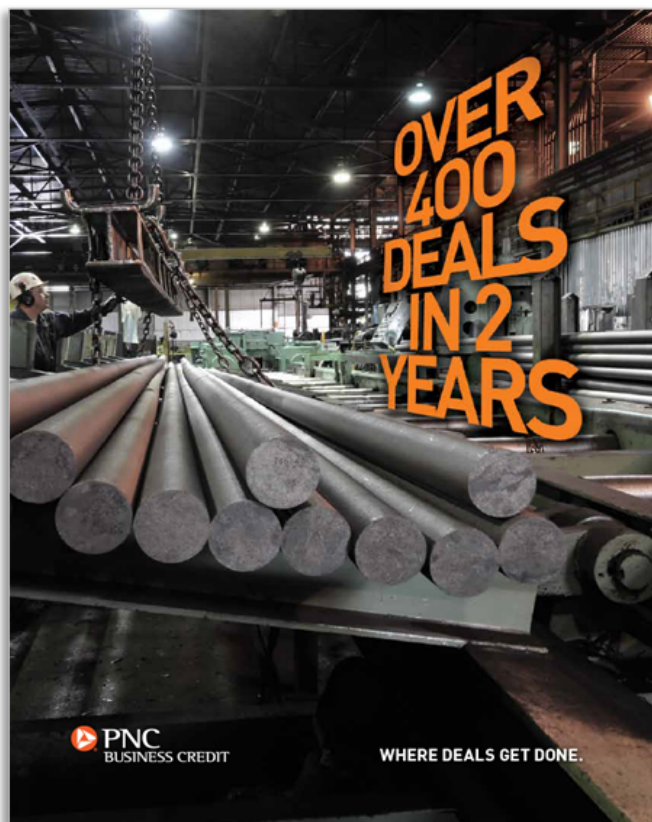


Social Media

- Challenging for many financial institutions
- Build awareness of your financial institution as actively lending
- Positive exposure for good customer experiences
- Blogs

Award-Winning Creative Quality

79 Awards in 2015 and 36 Awards in 2016 YTD



Q&A Wrap Up

Type your question in the questions panel 

Kris Niblett

Creative Director, Harland Clarke Marketing Services

Stephen Nikitas

Senior Strategy Director, Harland Clarke

www.harlandclarke.com/webcasts



harlandclarke.com/LinkedIn



harlandclarke.com/Twitter

Presentation materials and video replay
will be provided within one week.

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and previous events.