Harland Clarke Webcast 04/11/17
Recurring Prescreened Loans - Empower Account Holders and Increase Loan Volume

Presenter: Stephenie Williams, Senior Market Strategist, Harland Clarke

Moderator: Good day, and welcome to Harland Clarke's webcast, Recurring Prescreened Loans Empower Account Holders and Increase Loan Volume. This webcast is being recorded and will be provided to you within a few days. If you have any questions, please use the Chat box located in the control panel. Your questions are private and are only seen by the presenters.

I will soon turn the call over to Stephanie Williams, Senior Market Strategist at Harland Clarke but, first, a few quick poll questions so that we can better tailor this presentation to our audience. If you wouldn't mind, is your institution looking for more consumer loan volume (yes, no, or not sure)? If you are looking to try new marketing approaches, how soon would you be ready to test (up to three months, four to six months, or next year)? A few moments there and our final question, does your institution currently run prescreen loan campaigns (yes, no, or not sure)? All right, great, I appreciate everyone's answers. I will now turn the call over to Stephenie Williams.

Stephenie: Great. Thank you. I'm very excited to be with you today, and talk to you a little bit about the way that doing recurring prescreens can help you grow your business. A little bit of housekeeping, my background, I am a Senior Market Strategist with Harland Clarke. I work with a number of clients across the country that are looking to grow their loan portfolio. Just like most of you responded, you're looking for ways to keep that growing, and get those additional revenue dollars. My background, I was a product manager, as well as did some underwriting and marketing at a super-regional financial services company. You might be familiar, National City. I worked there for about 15 years, and so having that background provides a unique perspective for marketing loan products. That's what I'll be bringing with me as I present this information to you today.

Let's take a look at what we're going to address today in our session. We're going to take a quick look at some of the challenges and the audiences that you're challenged to attract when you're optimizing your loan portfolio and loan production. We're also going to look at how recurring prescreens can help in that process. Really help you optimize your production of loans. Then finally, we're going to see through a live demonstration a unique tool and communication feature that can really engage your account holders. Let's first take a look at what some of the real challenges are and what the unique audiences are when you're looking to attract qualified loans. What we find in the continual challenge in this process is the fact that those that are the most responsive or the most productive are also the most limited in terms of quantity.

We see that here in this pyramid. This pyramid really represents five primary target audiences most financial services marketers look at. First and probably the richest is shopping account holders. That's represented here in that first little segment. In addition to shopping account holders, we look at Segment 2, which is shopping prospects. Because they're in the market for a loan product, targeting is a lot easier. You're willing to give maybe even some rate concessions to this audience because you know that they're ready to transact.

After you have identified people that are actually shopping for product, the next best segments are both customers and prospects that aren't shopping but are credit qualified. As I look at this pyramid, something I might not have explained at the outset is, really, this entire pyramid represents people that would pass a credit prescreen so how we might segment them. The final section, once you get past those that you've actually been able to credit qualify, there's probably some additional credit qualified individuals that maybe you couldn't find in the prescreen process through matching, or perhaps maybe they weren't able to be scored. Maybe they don't have a big background, but you might be willing to lend to them. We really identify that audience through invitation-to-apply sorts of efforts. What's interesting is that the largest volume is also not at the – the largest volume isn't the most financially productive for us.

Let's go ahead and take a look at how Harland Clarke approaches really optimizing loan portfolios and loan acquisition as a process. We do it through our loan marketing ecosystem. What you see here are the four primary components of our loan marketing ecosystem. I like to break it down really into two groups. The two groups are the top two solutions and the bottom two. The top two solutions are solutions that run continuously in the background really helping to raise your baseline level of loan productivity. Let's take a look at those two solutions real briefly.

That first solution, Shopper Alert, that's a solution that we offer that looks at those individuals that are out in the market shopping. We identify that they are shopping for loans by hard credit bureau inquiry. That creates a trigger, and those triggers can be tracked either on your existing account holders or on a targeted geography. Maybe you look within three miles of any of your location. You want to know whoever. Whether they're an account holder or a prospect, you want to know if they're shopping for a mortgage loan. That particular solution is a super strong performer. We see on average 5 to 7% response rates for our clients and very high return on marketing investment. The only challenge is that, on average, only 3 to 5% of any consumer is shopping for a loan product in any given month, so that volume probably isn't going to satisfy your full loan acquisition need.

To compliment that Shopper Alert – and again, Shopper Alert will run every day providing those triggers, and Harland Clarke actually sends direct marketing communications, direct mail, email, and can even do phone follow-up on those. To compliment that volume, you probably need to look at consumers that are not shopping, and identify all those that are credit qualified. We do that through LoanEngine. We're going to get deeper into the details of LoanEngine, but just at a high level, LoanEngine looks at either a geography or your full account holder base for those that pass your prescreen criteria. Then it puts offers out in front of them. Each and every quarter we refresh those offers based on a new fresh credit poll. What we find is rather than that 3 to 5% of consumers that are shopping every month, we find that because we're just running a prescreen we can usually qualify about a third of the audience that we screen. That definitely provides you greater volume. From a response rate perspective, we'll generally see for clients quarter and after quarter about a 3½% response rate. Those, again, are the two solutions that run continuously in the background.

The latter two solutions, won't spend a lot of time because they're probably solutions – for some of you, I think we were about 50/50 about people that are currently running prescreens. For those of you that are running prescreens, you're probably pretty familiar. For those that are not, Refi Genius is a solution that looks to offer payment savings by a rate or a term refinance to a consumer. It goes out and identifies what they're current monthly payment is, maybe on an auto loan or on a mortgage loan, and then it calculates a savings based on a rate or a term refinance your institution is willing to offer them. That performs very well, typically, greater than a 2% response rate. It can vary depending on the time of year, the product being offered, and certainly the rate and savings being offered to consumers. The last component, Loan Magnet, that's the most basic of prescreened credit offers where you have a single product, and you have your underwriting criteria. You might apply some propensity modeling in order to identify consumers more likely to be seeking the product that you're offering.

Now that we've taken a quick look at the ecosystem, let's thinking a little bit more about how we might change the tried and true loan marketing in order to acquire additional accounts. This is going to require a little bit of a paradigm shift, really a change in the way that you think about loan marketing. Loan marketing for years has been about outguessing both the product that a consumer might want and the time of when they might want that product. Let's look at a further explanation of this. What does this really mean? If you think about today and where we stand, the historical approach to loan marketing here at the top, it was, really, you have a couple dynamics at play.

Consumers themselves don't necessarily understand, hey, I have a 750 FICO score. I'm a real good credit risk. My bank should offer me a $15,000 line on a credit card because I have a 750 FICO score. Consumers might have a general sense, 750, decent credit score, but they don't necessarily translate that into a specific value. Most consumers today, if they get a prescreen from their financial institution, it'll offer them a single product. Hopefully, it meets their need. Heaven forbid, if I'm shopping for an auto loan and I get a credit card solicitation, I'm probably not – as average Joe consumer, probably not going to think, oh, they preapproved me for a credit card. They would preapprove me for an auto loan too, for sure.

Today, we're also trying to control our marketing budget, be most efficient with our marketing budget. We're modeling and using propensity models in order to eke out the greatest opportunity from the programs and the target audience we select for those programs. Something you're going to need to consider today or I'm going to ask you to consider is really a new approach to marketing loans. An approach that allows you to provide consumers with clearly defined loan offers, multiple products with specific dollar amounts that they're approved for, and different terms giving the consumers options as to what they select. A loan marketing program that really promotes all loan products, those products that might be in the depths of your menu, if you will. Maybe things like motorcycle loan, RV loan. Things that don't normally see the light of day when it comes to marketing spend. Let's include those, and ultimately, will end at a place where we're providing our account holders and even perhaps our targeted prospects with the ability to make their well-informed choice.

It's worth thinking about this, this paradigm shift. Let's see how a paradigm shift like this might allow you to grow your entire loan volume. We have an approach, which I mentioned briefly in the ecosystem overview called LoanEngine. Let's take a look at the benefits. LoanEngine is really a way of delivering recurring loan preapprovals. By doing this, you have benefits for two primary areas, your financial institution, as well as the account holders that you serve. This type of an approach allows you to grow your loan portfolio while reducing loan acquisition costs, and pick up some efficiency gains to help you streamline that loan process with preapprovals. It also allows you to have a loan shop that's open in the background 12 months a year, 365 days a year, and ultimately, delivers a higher return on marketing investment.

Most of our clients through this program are seeing in excess of 500% return on marketing investment campaign after campaign. How do they do this? It's really because of the different way of engaging with your account holders. You're putting the power in their hands. You're saying we're in relationship, and because of that relationship and your good credit standing, we'd be happy to participate in any of these loan types with you. By providing that in a preapproved or preselected environment, you're overcoming one of the biggest challenges for consumers, and that's having the confidence to go ahead and put in that loan application. Many times, consumers don't simply because they're afraid of being rejected. It also allows them access to these offers through multiple channels, which makes their ability to accept the offers that much greater.

Now that we understand the benefits, let's take a look at the process. How might we go about deploying these offers on a recurring basis? This is a big diagram. As I walk through it, if you have questions, don't hesitate to go ahead and put those questions in the Chat. As we're walking through this process, we'll work to answer your questions because that's important to understanding this solution.

Each program or each quarter, we start with the target audience. That target audience can be limited to your existing account holders, or it can include a geography of targeted prospects that you would like to include. In addition to that audience, we start out with your credit criteria. Credit criteria for all the products that you would like to include in the program. Most of our clients today are including somewhere between six and eight product types. Some of those product types can actually be nuances of the same product.

What I mean by that? For instance, rather than just saying an auto loan with a single product type, many of our clients are listing new auto, used auto, and refinance auto. Some people are using their personal loan and rebadging that based on seasonality. Maybe they're saying holiday loan. Perhaps they're saying tax loan. Just depending on what might connect best with their account holder base.

Now that we have your target audience being account holders and/or prospects, we have your credit criteria; we need to take one step, and look at that credit criteria, and select a default credit type. That's going to be the credit underwriting criteria we take to the bureau in order to establish all those consumers we're going to consider in this program. Today, all of our clients are using auto lending criteria as that default credit criteria. The reason that they've selected auto, it's a secured product. Generally has a broader – just as an example of credit criteria, I'll just use FICO in its place, but it generally has a broader range of FICO scores of people that could be approved.

We take that default criteria along with our target audience. Run a prescreen. Then we bring back all those that pass that prescreen along with any credit attributes we're going to need to evaluate those consumers on for the additional products that we have included. As an example, you may include a home equity offer in the running of this program. If so, maybe you want to make sure that they have an appropriate LTD, or you may want to make sure that they have the presence of a first mortgage. Those are additional attributes that we might be bringing back with those qualified individuals.

Now we will load those qualified individuals into our LoanEngine software. In that software, we've established rules with all of your additional underwriting criteria. We'll have individuals that everybody is going to get that default offer. In this case of this diagram, that's represented by the vehicle. Then we'll further evaluate them for credit card, boat. The dollar bill represents personal loan. After we've done that evaluation, then we're left with the file represented by the three account holder types here. In that file, we will have every approved account holder and the corresponding offers they are eligible for. In this case, you'll see there's an assortment of product types, but in addition to product types, within those product types, there's also differences in the offers themselves. Depending on your credit profile, this supports risk-based pricing. Maybe the Account Holder 1 with an auto offer might have maybe a $30,000 up to credit limit at 3% interest whereas the Account Holder 2 might have $25,000 at a 4% interest rate, so those are all variables that are considered in that offer assignment file.

Now that we have that offer assignment file, we're ready to go to market, and we typically market in three primary ways. We market first with a face-to-face tool that enables sales to talk to account holders or prospects with the available offers. It's a web-based tool that we're going to do a demo on. That's represented by these first two icons, the two people across the desk and the phone, so that tool is available for direct selling. Second, we communicate all these offers through traditional direct marketing channels of email and direct mail. We provide two drops of email. Typically, our clients drop the direct mail and the email right at the outset of the campaign, and then midway through the campaign, about day 45, they'll send a follow-up email to those individuals that have not yet responded.

Then finally, we have digital presentment of the offers. Something we'll walk through today is we have two ways to support that. We can either integrate with your online and mobile banking tools, or we have the ability to present the offers in a landing page. Because we're presenting these offers across so many channels, we receive a tremendous response. The way that we work with you in order to track that response is two ways. One, we provide you a daily file of all those individuals that have asked to redeem their loan. A second way that we work with you is, at the conclusion of the campaign, we get a loan application file. We use that loan application file to calculate not just those that have responded but those that actually booked a loan and the corresponding balance. We can provide you that cost per booked loan along with the return on marketing investment.

Before we get to the demo, I want to explain one other key element of this solution. For anyone that has run prescreens in the past, you might be left scratching your head. How do you one soft credit bureau inquiry, and put all these offers together? Let's move forward and take a look at the creative itself. What you'll see is, in our creative piece, something that we call "one and done." We've run this approach past all three bureaus. They're in agreement. What in essence our process does is it presents all these offers to the consumer. It also clearly articulates to the consumer they can accept one of these offers as a preapproval. If they accept any additional offers, those will be viewed really as an application or an invitation to apply. We try to clarify that in the creative in a few places that are called out on this image on the screen.

First you'll see Choose One of the Offers Below. Then, really, where it's clearest for me is under all the icons, we have text that is highlighted here. It says, "Please note you've been preapproved for your choice of one of the above offers. If you'd like to take advantage of more than one offer, or you'd like to request more than your approved amount, please contact us. A full application may be required." By applying one and done, what that allows you to do is, if a consumer accepts one product and then they come back in and want to accept a second product, you still have the ability to do full underwriting on that second product.

Let's go ahead and take a look. There are a couple ways that our clients are choosing to deploy this solution, and I want to talk through those before we jump in to the live demonstration.

Moderator: Hi, Stephenie. Can I interject with a submitted question real fast?

Stephenie: Oh, that's great. Sure.

Moderator: What is the typical response rate for the campaign?

Stephenie: What we found working with a variety of clients over time, quarter after quarter of running this campaign they typically sustain about a 3½% response rate. Occasionally, we'll see higher. Occasionally, we'll see lower. That's pretty consistent. We don't see clients where that first campaign is high, and then none of the rest achieve that same rate. It's actually a very consistent delivering solution. Thanks for that question.

Talking about ways our clients deploy this solution, let's look at a phased approach. We have some clients that have engaged with us. They aren't ready to turn the switch, or maybe they don't want to get their online and mobile banking folks involved. The first way that they'll deploy the solution is using, first, that direct mail and email that I spoke to early. These are samples of those creative pieces. You'll see it offers the full assortment of loan products. Each of our call to action really talks to them about call, click, or come in, giving consumers multiple ways to engage with this solution.

In addition to the direct mail and email, we also have the landing page. The landing page works a lot like a Pearl. The landing page allows you to provide a unique code to each individual that receives offers, and that will be in their direct mail and their email. They can use that unique code combined with their zip code in order to log in and see their unique set of offers. You'll see, on the left, that's the log in screen, and on the right, it's a little small. It represents each of their offers. It shows them the range of interest rates along with the credit limit.

Then finally, the way – one of the key elements that I spoke to about the solution is informing your front line sales people. Our cross-sell tool really allows you to do that. It provides the ability to look up any individual. Maybe you are talking to on the phone, or maybe they're transacting a deposit in your teller line. You can look them up by first name, last name, and we'll look at that tool more specifically in the live demo. That's really the phase one how you can deliver this solution. There's also a phase two. Maybe you go through phase one. You like the results. You really want to commit to the solution, so you look at phase two. Phase two is simply taking a moment to replace that landing page, which you see here on the left, and transitioning the landing page into integration with online and mobile banking.

Today we have a number of clients that have done this transition, and we have a number of different providers we work with, the example that you'll see here. Then you'll also see, as I'm doing the online demonstration, we use Digital Insight for the purposes of our demo site, but we've also integrated with Cubus, Jwaala. We're in the process of integrating with Q2, Jack Henry. There are a number that we have already integrated with, so it's a pretty easy process to embark upon.

Let's go ahead and take a look at – jumping over to the live demonstration. What we're looking at here, again, is right within online and mobile banking, within that single sign on environment. This example was built within Digital Insight, which uses a tabbed interface, and what we found working across a number of providers is most online banking does set up with a tabbed interface. What I mean by tabbed, you'll see up here we have My Accounts, Bill Pay, Transfer Money, and then My Offers, which is the tab that we're currently on. To give you another sense of it, the My Accounts tab, typically, with most providers, that's the first screen that you land on when you log in showing you all those unique offers. We do have the ability to have abbreviated My Offers in a different format. We're not going to talk a lot about that today, but that's what you're seeing here.

Once the account holder gets to the My Offer tab, they're going to see this full assortment of offers just like what was communicated to them in their direct mail piece and the email that they have already received. You'll see commonalities for any closed-end loan products. That they have available credit limit, an APR, a term and that ultimately shows you an estimated payment. You'll see that for open-end products, it doesn't show a payment because clearly we don't know what they're outstanding balance is, which is required in order to show that payment. Also, with each of these, there is a details and disclosures. When a consumer clicks on the Details & Disclosures, they're able to see the disclosures for the actual product – sorry, my refresh. For the actual product they're looking at, it will be the details and disclosures just like they were on the direct mail piece that they received. They can choose to download those if they want, or they can simply move on.

Some of the things they can do for payment modeling, let's say this particular individual has 30,000 available. Perhaps they know the vehicle that they're looking to purchase. They only need 23,000. They see that 23,000 over 72 months is $346.84 per month is the estimated monthly payment. Maybe they think they can afford more, so they'd like to pay that back more quickly. They simply adjust the term, and if you noted, the interest rate changed. It was 2.75. When they moved it to 60 months, it changed to 2.49%. The same would be true; the interest rate would change if I selected 84 months. It goes to 2.99, and the payment is updated to 303.83 a month.

I'm going to go ahead and leave it at 60, and I'm going to accept this offer. When I click on Accept, I'm met with, really, a summary screen of the offer available to me with a few tweaks. The term, you'll notice, is toggled to the same term I was modeling, and so the corresponding interest rate is 2.49, and it's just reminding me that I have up to $30,000 available. I could read the disclosures again if I would so choose or if I hadn't already read them, or I can continue and accept the offer. Because I'm within the single sign on environment of online banking, it pulls forward my unique information, in this case my name, Anthony Everett, and reminds me that I have $30,000 available. Because I selected a 60-month term, there is a minimum $3,000 loan amount, and then it looked at what we were modeling back up over here and pulled it in, the 23,000. If you want to change it, you certainly can, but it goes ahead and pulls that dollar amount over. There's also an ability to ask questions and customize the phone number that's listed. You can customize the phone number listed by product type. We have some clients that outsource their credit cards, so they need to have another 800 number here on credit card redemptions. We can accommodate that.

When we click Next, now there's just a little bit of data capture. On this particular data capture, you can capture one or both of the elements of phone and/or email. Our clients today are typically just collecting phone, and they're not prepopulating phone because notoriously our customer information files aren't always up to date. Maybe if somebody is interested in redeeming this offer, they're going to provide you with a mobile phone number that you might not already have on file, and it's a pretty low hurdle for the consumer to overcome to provide their phone number. We also have the ability to collect a best time to call and any notes. Maybe they're looking to purchase a truck this week. Before they can click Finish, they must acknowledge that they've read and agree with the terms and disclosures. Please keep in mind that the terms and disclosures you've already delivered not only in this tool, but also through direct mail and email to these consumers. You're covered from a Fair Credit Reporting Act perspective. We'll go ahead and select that we have read and agree with the terms and disclosures, and then we'll click Finish.

A couple things are going to happen. First, a screen's going to come up, and this screen is really important in setting your account holders expectations of what's coming up next. You can customize this popup screen that's in the foreground with language that helps explain what's going to happen next. Are they going to be getting a call from a service representative? Should they have their last two pay stubs ready? Do they need to have a VIN number ready? Do they need to be prepared to schedule for an appraisal? Any of those things that are really going to happen next should be outlined in the text within this box, and this box can grow. The text you see here is just minimal for our demonstration purposes, but most of our clients spend a good bit of time thinking through the information they put in this box.

The other thing that happened when we clicked on that final accept offer is, if you notice in the background, that all of the offers that were formerly offers to redeem are now offers to apply. We have the ability to support – if you already have an online credit application and can provide us with that URL, we can connect to that URL to these buttons. When an account holder wants to redeem a second loan, they immediately go to that online credit application. You may be wondering what's happening in the background. Where did that lead go? What's interesting is that particular lead is sent to the destination within your organization that you've requested. Most of our clients today are sending these leads either to a call center, or they're sending these leads to loan operation so that we can follow up with the redeemer to make sure, one, that they did intend to redeem, and two, we can collect those last pieces of information to confirm their credit standing and their eligibility for the offer.

It comes across as an email, and the email has a PDF attachment. That PDF attachment provides you all the details of their loan acceptance, in this case Anthony Everett and the phone number that Anthony provided. I should've mentioned also that unique number associated with

Anthony. It can be a unique ID. It can be a customer number. We have a few options, the preferred contact time that Anthony input along with Anthony's branch. If you provide us on your account holder file the branch that's assigned to each account holder, we can return that on these loan leads.

Then the specifics about what Anthony's redeeming. The credit score that Anthony has along with the fact that he wants to redeem for a new auto. We know he was approved for 30,000. He's requesting 23, and he's selecting to finance that over 60 months at 2.49%. We do have two other elements, household income and proof of income. Those can only be collected in direct communication with that consumer so either over the phone or in the branch, so we'll see in the cross-sell tool how that information can be gathered. Then finally, it gives information about the source of this redemption, in this case the home banking widget, which is online banking. Then the notes that Anthony input during the process.

That's, in essence, the online banking experience. Let's take a moment and take a look at the mobile banking experience. Probably not going to redeem an offer but giving you a sense of what that process looks like. It's very similar. This too is based on the Digital Insight mobile banking app. You'll see that because of screen size we're limited in the amount of information we can show on that first screen. We do give them the congratulatory message, and then each of the product types are listed along with their available credit amount.

In order to see additional details, you need to go ahead and click, and once you click, you're met with some additional details, some rate parameters. You click further in in order to do those payment calculations like we were doing within online banking. That's all available here, as are the full features and disclosures. Then you get to the place where you can do that payment modeling. Maybe you want to do 25,000. Because I hit Enter, it thought that I was trying to accept the offer. Just like before, in order to accept the offer, you must agree that you've read and agree with the terms and disclosures. For the most part, the mobile application, at least through Digital Insight, most of the ones that we connect with have a dropdown menu in the upper left, and typically, you can access the My Offers through that dropdown menu. If it's more complex, we have some clients that include screenshots to help walk their account holders to the right place within the mobile application.

Let's take a look at that face-to-face tool. That cross-sell tool that's available to your sales professionals. We have the ability – when we set this up for your team, we will collect a list of administrative users that you'd like to establish, and then those administrative users have the ability to set up, add, and remove individual users. The administrative users have the ability to reverse. If somebody erroneously redeems an offer for a customer, they can go ahead and reverse that transaction, so it goes back to a preapproval.

We'll go ahead and log in. One of the things, when we log in, we'll initially be met with a dashboard. This dashboard represents the productivity for you as an individual sales person. You'll see your sales for the day, the week, the month, the year, and career. Then you'll see a leaderboard here at the bottom. This leaderboard will hold up to ten individuals' names. Some of our clients that are using this solution will use that leaderboard in order to incent folks, maybe sending out Starbucks, or Amazon, or Target gift cards. Something just to keep people engaged with selling by using the information in this tool.

The most frequently used and really the bread and butter value of the cross-sell tool is the ability to look up an individual that you're maybe already in conversation with. In this case, I looked up somebody that I know is in our demo site, Stuart Cameron. I'll go ahead an input his information, and when I input his information, if there's more than one Stuart Cameron, they would all be listed. Then I would just confirm based on address, and/or if you're a credit union, you might be more accustomed to using member number. You could also look up by member number over there in the right-hand side. I'll confirm that this is the Stuart Cameron in apartment 992 at 1281 Incorporated Road. Is that correct? He tells me it is. I'll click Continue.

Upon clicking Continue, I can immediately have access to all the product offers that Stuart has available to him. I can look at – maybe the course of our conversation Stuart's indicated to me that they have a new driver in the house, and boy, they would really like to reduce all those carpools that they have to be a part of. Let's take a look at maybe getting – I'll explain to Stuart that he has the availability of a used auto. Is that something you'd be interested in pursuing? If he says yes, I would select it. As you see here, when I selected it all these other offers turned gray. That means that one and done was applied within the solution. Once it's applied here in the cross-sell tool, that also impacts the visibility that Stuart has if he would go home or even in the parking lot and log in to online banking. His offers will be updated to reflect this activity.

Once he selected that, we can click Continue, and that really starts that data collection process. Our tool allows for a couple of different set-ups for our clients. You can use this tool and send that loan lead like we looked at early with online and mobile banking, or if you already have an established process where once you know somebody's a preapproval, they want to go in for a loan. Maybe you have your sales team logging into your LOS system or into an application system and putting in information. Either way, we can accommodate that. If you want them logging that information in elsewhere, the only thing that's going to be required here is a little data capture around the funds requested.

Maybe Stuart has indicated he wants $16,000. I could complete that, click Continue, and be done, or I could complete as much information as we wanted to generate that lead. I'll go ahead and click Continue. I also want to mention we have one other way to update this cross-sell tool. Some of our clients, they simply want to take a list of all of the consumers that received offers and their associated offers. They want to take that as a CSV file and upload it into a relationship management tool they already have. We can certainly do that. We can provide that file for you.

We have some people that want to take that file and just create a flag so that their sales team knows this person has offers. If you remember, only about a third of consumers are likely to pass your prescreen, so maybe you don't want everybody looking in this tool first with every consumer. Creating a flag maybe in a core or a CRM system could really help streamline your process. Let's get back up a little bit to Stuart. We'll go ahead and click Finish. Just like before, when we click Finish, we'll get a confirmation message that that lead's been forwarded on, and then any sales training you would provide as to what next steps need to take place would happen and be delivered to the customer.

With that, that's really the end of our demonstration. If we could, let's transition back, and I can show you some case studies of the performance other clients have achieved. I just want to check in if we've gotten any additional questions. Don't forget you can send those questions directly to us using the Chat feature.

Moderator: Hi, Stephenie. Yes, we do have one. How is it priced?

Stephenie: Oh, that's a great question. This particular solution is priced with two primary components, so we do have a setup fee. Then beyond the setup fee, for every campaign, you pay a price per consumer that is approved with offers. You don't pay for – you'll have some consumers that have a single offer. Some consumers will have five offers. You just pay one flat rate regardless of the number of offers for each individual consumer that has offers available.

Let's take a quick look at these case studies. I have three case studies. They show you a range, if you will, of performance and deployment methodology. This first one is nearly a $1 billion financial institution, and they have 57,000 account holders. Actually, they're almost text book. Right around a third of their account holders qualified with preapprovals. You'll see they had a nice assortment of products, auto, ATV, personal loans, credit card, snow machine loans, and they deployed just direct mail and email.

This particular client, one and two, compare the results of this solution to previous campaigns where they had done single auto loan product preapprovals. Those auto loan preapproved programs only ran 30 days, so they only wanted to limit their channels and limit the timeframe. Despite those limits on the program, you'll see they performed quite well. Not response rate, but booked loans, 1.83% of those people with offers actually booked a loan. Those loans had average balances of around nearly $17,000. That drove them to a cost per booked loan of about $82, pretty respectable, but on the higher side of what all of our clients see, primarily driven by the shorter term of the promotion. Within 30 days, they were able to generate nearly $5.8 million in outstandings.

Let's go ahead and look at the next case study. This case study is interesting. It's a slightly smaller financial institution from an asset perspective, as well as number of account holders. They had 49,000 account holders. They were a little bit lower in terms of the number of account holders that had offers. They had 10,733 account holders with offers, and they also had fewer product types that they promoted. They promoted new and used auto, credit card, and personal loans.

Compared to the last client, they did deploy a few additional channels. In addition to the direct mail and email, they also added online banking, so that was another response channel, again, running for 90 days. They had nearly identical average per booked loan. What was interesting with this particular client is most of their volume – not that uncommon, but most of their volume was in the auto loan category. If you remember how this solution is designed, if you're using auto as the default criteria, everybody that's approved is at least going to get an auto offer. Auto has the most opportunity in order to get responses. For this particular client, the total balances that they were able to generate was $5.7 million, and that ultimately led to a strong return on marketing investment of about 1,151%.

One of the questions that we do get quite often is what percent of these redemptions are coming through the digital channels? In this case, this client saw 35%. Depending on the digital engagement of your account holder base, that will really have an impact on what we see here. Many clients, that first campaign will be a little bit lower, maybe in the low – somewhere in the 20% range, but most clients end up migrating somewhere near 40, 45% of all the redemptions will come through the digital channels for the solution. You still need your brick and mortar. You still need your call center, but a lot will go through the digital channel with this solution.

Let's take a look at our last case study. This particular case study is an interesting one. One of the things you might see right out of the gate is that a little more than half of their account holders qualified in each situation. They serve primarily a fraternal organization. They have very little delinquency and charge off, so they have more relaxed credit criteria, which allows more people to get offers. They also have a full product assortment. You'll see that their – both their response rate and their booked loan rate fairly strong. They were able to pull through almost 80% of the people that actually responded, and that achieved a $68 cost per booked loan.

What's interesting with this client, the reason they were able to achieve such a strong response rate. In addition to the marketing that's included in the program, meaning direct mail, email, online banking, mobile banking, and the cross-sell tool, they decided to do a second drop of direct mail in order to support the campaign, so they sent that about halfway through. With this campaign, they were very satisfied achieving more than $9 million in outstanding balances. Like I mentioned, digital engagement can vary from client to client. This particular client had a lower digital engagement, and so we only saw about 28% of those responses came through online and mobile banking. With that, I'll see – do we have any other final questions?

Moderator: Looks like we have one final question. How many clients are currently running LoanEngine?

Stephenie: That's another good one. We currently have 21 clients up and active with this solution, and we have another 13 clients in various phases of deployment of the solution. A real nice test set, and the results are very consistent. We cover all geographies of the country and clients of a variety of sizes, both banks and credit unions.

Moderator: Great. I think that's all the questions we have. We are at the end of our hour, so I'll wrap up. I want to thank everyone for coming, and remind all our attendees that, in the next few moments, you'll receive a brief survey. We do appreciate your feedback, and the recording of this presentation and the slides will be sent out to you within a week. Thanks for joining us.