

LOAN MARKETING

— From 2021 and Beyond

Be there with the loans consumers need — the moment they need them



Always-on loan marketing solutions to engage account holders and prospects with FCRA-compliant, prescreened loan offers



Increase loan growth, profitability and retention with always-on, proactive and triggered loan marketing solutions designed to engage consumers precisely when they're most ready to buy.

Fully managed across every channel — direct mail, email, phone, online and mobile banking — Harland Clarke's easy-to-implement, complementary programs reach creditworthy consumers with the right offer at the right time, significantly increasing the likelihood that they'll say yes.

Connect with the "always-on" consumer

Reach loan candidates in all stages of the decision-making process

Communicate "prescreened" status to creditworthy applicants

Increase the likelihood of loan acquisition and growth

U.S. consumers are expected to maintain strong credit activity

Total balances for all major credit products are also expected to increase for each credit product. Unsecured personal loans are expected to grow 11% followed by credit cards (3%), mortgage loans (3%) and auto loans (3%).¹

Lending outlook — cautiously optimistic, but competitive

Opportunities for lending have expanded in recent years as Americans demonstrate a willingness and capacity to borrow more, and to refinance existing debt — especially while interest rates remain low in an up-rate environment.

There are a number of reasons to be optimistic. Housing appears largely unaffected by the pandemic; the market remains healthy, and new mortgage originations continue to trend upward. In addition, there's been a 300 percent increase in refinance volume when comparing Q2 2019 and Q2 2020, thanks to the low interest rate environment.² Household finances, too, remain solid.³

There are a few points of caution, however. Unemployment remains high, and its recovery depends largely upon how quickly and how well the virus is contained, as well as the speed, availability and efficacy of a potential vaccine. Auto loans and credit cards remain at risk.

So, while there is a certain amount of uncertainty in the market, we're not facing the same scenario that led to the 2008 financial collapse. Consumers will still need lending options. Lenders should be prepared to use personal loans, credit cards and refinance loans to provide financial relief to consumers who have been affected by COVID19, and be similarly positioned to help consumers whose personal circumstances have presented new financial opportunities, as well.

Delivering your offer to the right prospect

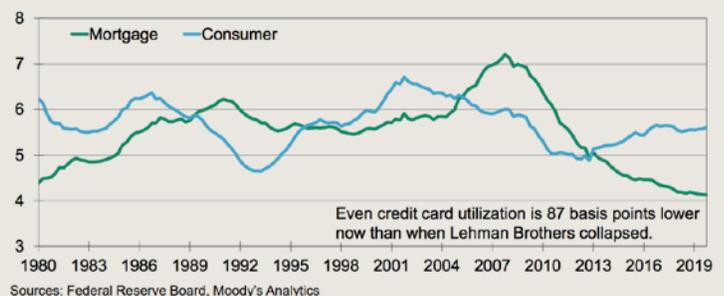
With this in mind, marketers need to look beyond conventional campaign tactics and adopt an "always on" loan marketing philosophy. "Always-on" means marketing without ceasing — providing the right offers to the right loan candidates at the right time to quickly capture their attention with an attractive and firm offer, making sure they don't go elsewhere.

This marketing strategy involves both proactive and reactive — triggered — strategies designed to engage consumers with FCRA-compliant, prescreened, firm offers of credit. The lynchpin here is, of course, data. Data-driven acquisition campaigns help ensure you target the right prospects, those that are creditworthy and an ideal match for your institution.

Using these innovative and complementary techniques, financial marketers can match individual loan candidates with personalized loan offers designed to create a positive customer experience while increasing the likelihood of loan acquisition for sustained loan growth and increased ROMI.

Household Finances Are Solid

Debt service burden ratio, mortgage and consumer, percent



¹ "U.S. Consumers Expected to Maintain Strong Credit Activity in 2020," TransUnion

² Statista, "Mortgage originations on one-to-four family properties in the United States from 1st quarter 2012 to 2nd quarter 2020, by type"

³ Moody's, The Impact of the COVID-19 Recession on Consumer Credit, May 2020

Trigger-Based Loan Acquisition/Retention

Send Prescreened Offers to Active Borrowers — Within One Day

In any given month, up to **five percent of account holders and prospects are shopping** for a new mortgage, auto, credit card or other consumer loan.⁴ Trigger-Based Loan Acquisition/Retention is a loan marketing solution that lets financial institutions know when their customer applies for a new loan with another lender, giving the financial institution the opportunity to acquire a new loan and/or retain a loan that might otherwise end up with the competition.

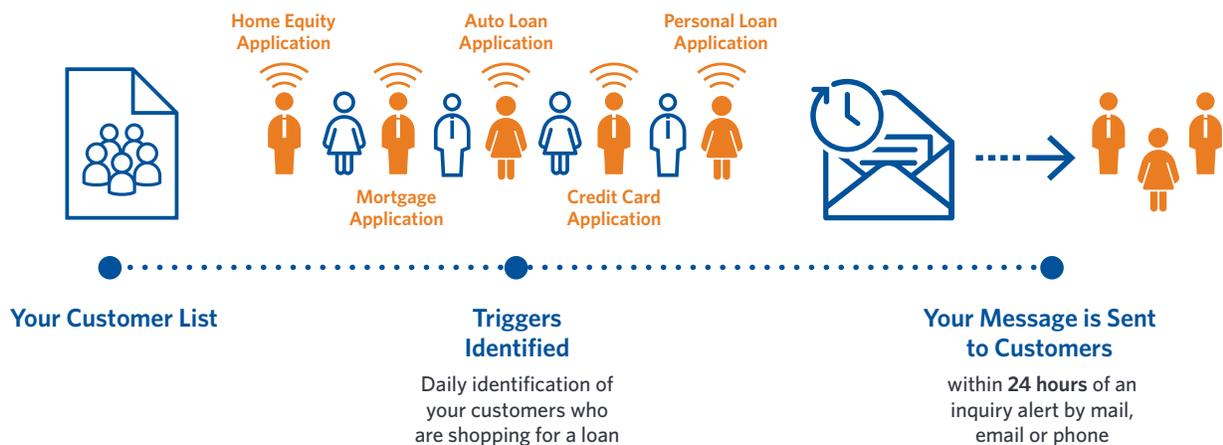
How It Works

Strike while the shopper is hot

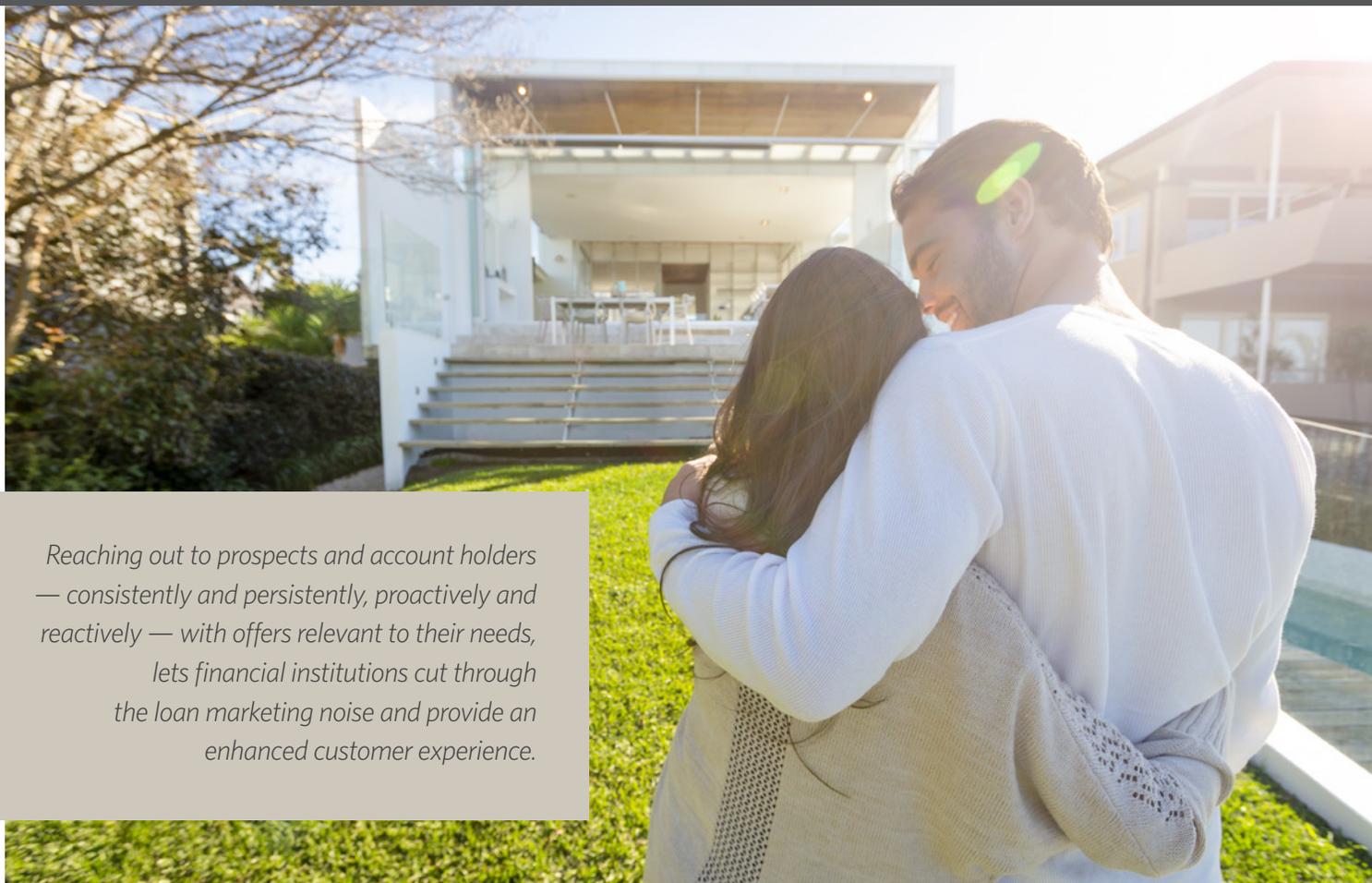
Harland Clarke monitors credit bureaus 24/7 for loan activity, and automatically prescreens borrowers against the financial institution's own underwriting criteria.

Within 24 hours of their first loan inquiry, we deliver a compelling and relevant loan offer, engaging creditworthy loan shoppers right when they are most ready to buy — and before they book with the competition.

This always-on marketing solution delivers the right offer to the right borrower at the right time in the loan-shopping process, reaching qualified candidates via direct mail, email and phone channels. Turnkey and cost-effective, this loan acquisition/retention solution delivers strong response rates, low decline rates, low per-loan marketing cost and increased customer loyalty.



Trigger-Based Loan Acquisition/Retention



Reaching out to prospects and account holders — consistently and persistently, proactively and reactively — with offers relevant to their needs, lets financial institutions cut through the loan marketing noise and provide an enhanced customer experience.

Harland Clarke Recommends

What to expect

Using Trigger-Based Loan Acquisition/Retention, Harland Clarke estimates an average response rate between 3-6 percent. Our financial institution clients report a cost of \$65-80 per loan and a 50 percent funded rate.⁵

Timing is key

On average, 60 percent of borrowers commit to a loan offer within one week of initiating their search.⁶ Engaging borrowers as soon as possible in the process is crucial to success. Harland Clarke's Contact Center can be used in conjunction with this program to reach borrowers before the direct mail and email arrive.

⁴ Harland Clarke analysis of client data, 2018

⁵ Harland Clarke client data, 2018

⁶ Harland Clarke client data, 2018

Harland Clarke does not guarantee or warrant earnings or a particular level of success with a campaign

Multi-Loan Pre-Approval

Promote Loan Offers in Online and Mobile Banking

For financial institutions seeking a smart and efficient way to grow volume across their entire loan portfolio, Multi-Loan Pre-Approval provides recurring prescreened offers for home equity, auto, credit card, personal and other loans. A powerful customer engagement tool, give customers the ability to access, review and accept multiple loan offers, anytime, anywhere, from virtually any online or mobile platform.

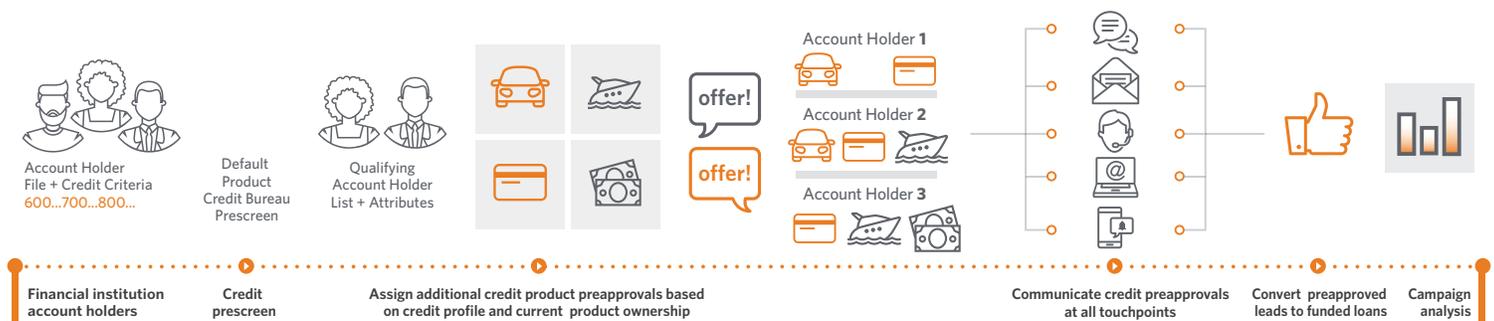
How It Works

Recurring campaigns matched to account holder needs

Harland Clarke processes multiple data streams, including those from the financial institution's database and credit bureaus, to generate personalized prescreened loan offers unique to the institution's risk tolerance and portfolio. This always-on, proactive approach enables financial institutions to market multiple products at once, eliminating the need for individual campaigns. Financial institutions can also promote niche loan types that might not otherwise receive marketing budget.

Because we prescreen candidates using the financial institution's own underwriting criteria, offers are extended only to qualified candidates. Customers know their interest rates, monthly payments, and other terms for all of the loans they're qualified for. This reduces decline rates and gives customers the confidence to say yes without fear of rejection.

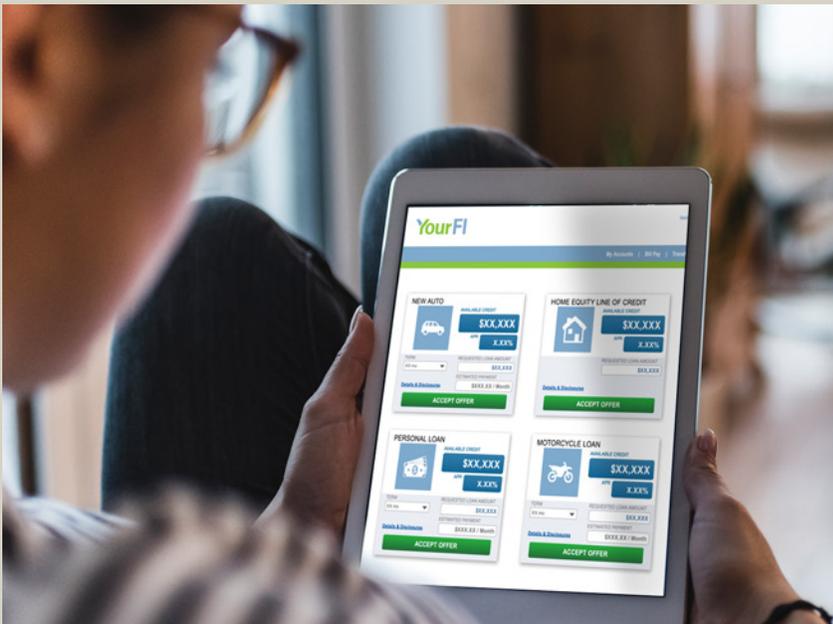
Comprehensive, end-to-end support — including campaign planning, managing and reporting — is included as part of the turnkey solution. The results are increased consumer loan volume, decreased loan acquisition costs, higher ROMI than traditional campaigns, and increased customer loyalty.



Multi-Loan Pre-Approval

Direct mail and email communications can be configured to your specifications.

Account holders can access multiple loan offers, anytime, anywhere, from virtually any online or mobile platform.



YourFI
FI MAKING ADDRESS

(FNAME) (LNAME)
(XADDRESS1)
(XADDRESS2)
(XCITY), (XSTATE) (XZIP+4)

(DATE)

Dear (Mr./Ms./First Name),

Congratulations! Your responsible management of credit has earned you pre-approval for a special low rate on a YourFI Name loan.

You can choose any one of the loans below. So whatever big purchase you've wanted to make—now's the time! And with your pre-approved status, you're one step closer to having what you want!

Choose one of the offers below:

You're Pre-Approved!
Great Rates, Local Service



NEW AUTO LOAN*
Buy that new car you've had your eye on! This gives you bargaining power at the dealership.
(X.XX)% APR for (X)X months
Pre-Approved up to \$(XX,XXX)

HOME EQUITY LINE OF CREDIT*
Make some improvements or repairs, consolidate high-interest debt, or make any large purchase.
(X.XX)% APR
Pre-Approved up to \$(XX,XXX)

HOME EQUITY LOAN*
Use this fixed-rate loan to make home improvements or repairs, consolidate high-interest debt, or make any large purchase.
(X.XX)% APR for (X)X months
Pre-Approved up to \$(XX,XXX)

PERSONAL LOAN*
Use this fixed-rate loan for anything! Funds are deposited directly into your YourFI Name account.
(X.XX)% APR for (X)X months
Pre-Approved up to \$(XX,XXX)

MOTORCYCLE LOAN*
The road is calling! This low-interest loan lets you power that ride with a shiny new motorcycle.
(X.XX)% APR for (X)X months
Pre-Approved up to \$(XX,XXX)

CREDIT CARD*
Our credit cards give you convenient purchasing power with local protection. A great way to manage your finances.
(X.XX)% APR
Pre-Approved up to \$(XX,XXX)

PLEASE NOTE: You have been pre-approved for your choice of one of the above offers. If you would like to take advantage of more than one offer, or would like to request more than your approved amount, please contact us. A full application may be required. See reverse for details.

Accept your YourFI Name pre-approved loan today!

Fast: Call 000-000-0000 or visit your local branch.
Faster: Visit www.yourfiname.com.
Fastest: Access your pre-approved offers on the go from your YourFI Name Mobile App.
HURRY! Offer ends Month XX, 20XX.

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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 on other side for more information about prescreened offers.

Harland Clarke Recommends

What to expect

Using Multi-Loan Pre-Approval, Harland Clarke estimates a three to five percent response rate. Results show about 10 percent of loans are generated initially via digital channels, but online and mobile tend to catch up quickly and match applicant levels via direct mail, email and phone.⁷

Choose proper loan mix

Over the past few years, our bank and credit union clients typically offered between four and eight consumer loan products per marketing campaign.⁸

⁷ Harland Clarke client results, 2018 (averages per 75-day Multi-Loan campaign)

⁸ Harland Clarke client data, 2018

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Single-Loan Pre-Approval

Send Pre-Approved Loan and Refinance Savings Offers

For financial institutions wanting to grow loan volume for specific products or to lure existing loans to their institution through a personalized refinance offer, Single-Loan Pre-Approval provides a way to perpetually engage credit-qualified prospects and customers with loan offers when they are most likely to take action.

How It Works

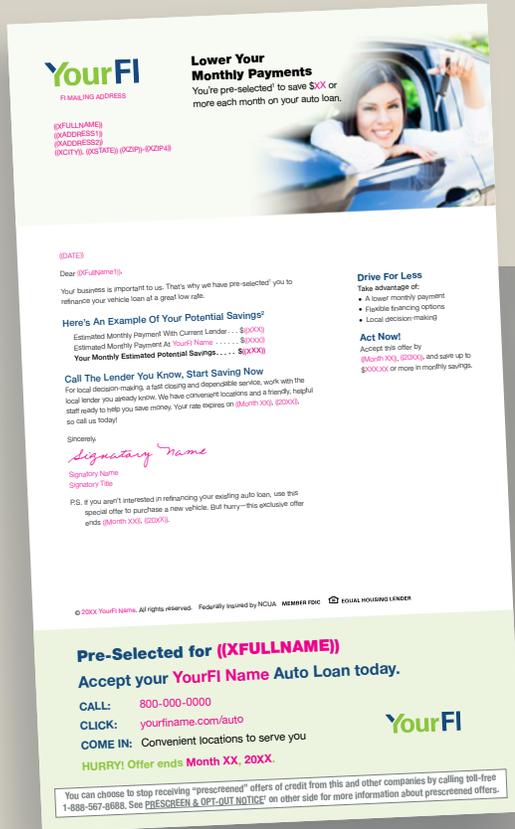
Acquire more loans faster than you ever thought possible

Single-Loan Pre-Approval from Harland Clarke starts with your customer file or prospect list and determines who meets your credit criteria. Using dozens of data points and attributes we score those credit-qualified consumers to predict those most likely to respond and send them a pre-approved offer for mortgage, home equity, auto, credit card, and consumer loans.

Also included are loan refinance offers that highlight lower payments and potential savings. These personalized offers of savings are created using an individual's current payment, loan balance and remaining term.



Single-Loan Pre-Approval



Engaging and personalized direct mail creative sent to a highly defined audience.

Proactive pre-approved offers prevent your customers from becoming your competitors' customers.



Harland Clarke Recommends

Outdated marketing strategies no longer have the impact, produce the results, or create the differentiation needed to compete today.

Data and analytics are the keys to competing. Financial institutions that use proactive, data-driven marketing strategies designed to perpetually engage prospects and customers across multiple channels, when they are most likely to purchase, are steps ahead in the purchasing process.

Help customers save with refinance offers

Helping customers save money builds trust and loyalty. Send pre-approved offers to consumers with loans at other institutions. These refinance offers highlight the potential savings right on the direct mail piece.

There is nothing more important to financial institutions than relentless attention to providing consumers with loans they need when they need them.

Harland Clarke's complementary loan marketing solutions promote the profitable loan growth marketers need with higher response rates and lower costs per loan.

Learn how Harland Clarke's "always-on" solutions can help your institution achieve its loan growth goals.

Call 1.800.351.3843

Email contacthc@harlandclarke.com

Visit [harlandclarke.com/AcquisitionCX](https://www.harlandclarke.com/AcquisitionCX)