



It takes time to get around to  
what we *really* want to do

WHEN IT COMES TO LENDING, WHERE WILL CU\*BASE  
FOCUS IN THE NEXT COUPLE OF YEARS?



# Mapping Lender\*VP's concerns

FOR THE PAST 3 YEARS, WE HAVE BEEN LOOKING FOR AN OPENING TO CHANGE IT ALL

## Third-party LOS

- ➔ Across the desk
- ➔ Via the internet
- ➔ Exposing more decision models
- ➔ Deepening integrations
- ➔ Keeping up with the Joneses

## Native LOS

- ➔ Across the desk
- ➔ Via the internet
- ➔ Evolving CLR Path
- ➔ Competing with 3<sup>rd</sup> party LOS solutions
- ➔ Redefining lending

## Servicing Loans

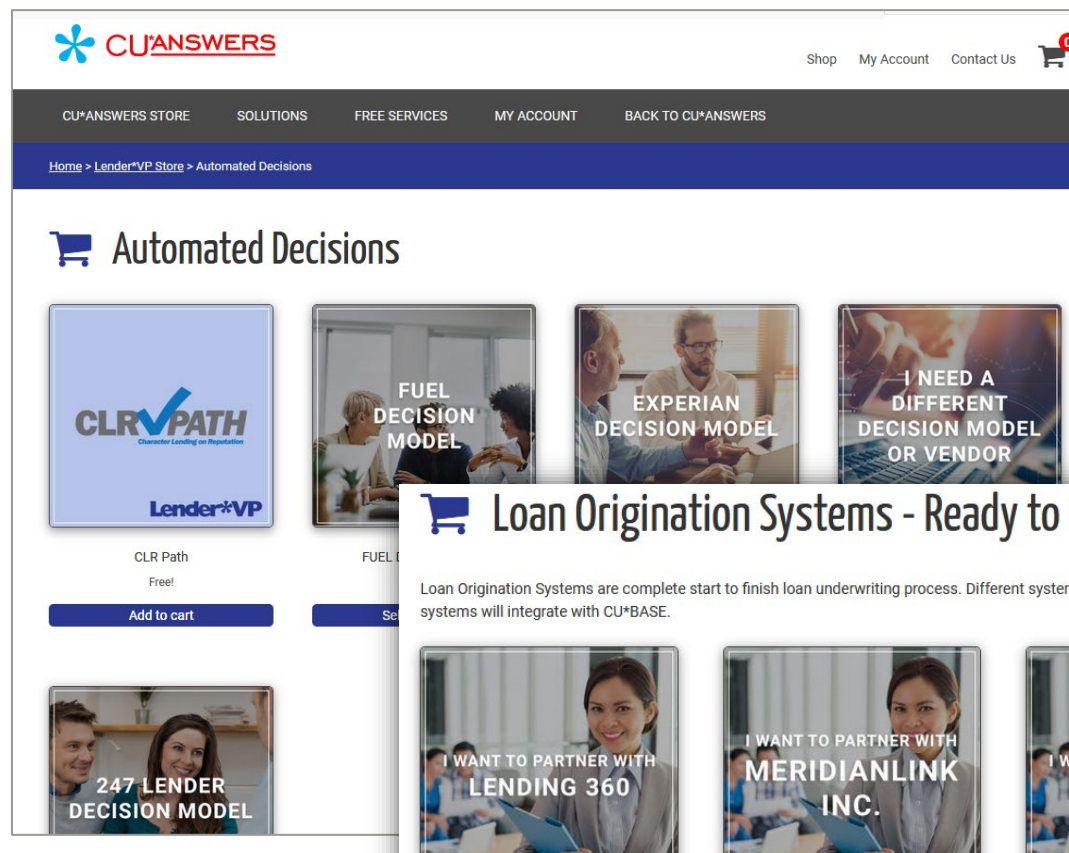
- ➔ Evolving a product set
- ➔ Exposing new services to the internet
- ➔ Automating member-initiated fulfillment
- ➔ Redefining lending

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[store.cuanswers.com/store/lendervp](https://store.cuanswers.com/store/lendervp)

# Lender\*VP has built a factory to include 3<sup>rd</sup>-party players

71

153 CUS -- ROUGHLY 50% OF ALL CU\*BASE CLIENTS -- ARE WORKING WITH THESE CU\*ANSWERS SOLUTIONS

## 12 Ready2Look integration partners

- |  |   |
|--|---|
| ➔ Retailer Direct<br>6 CUs / 371 apps FYTD | ➔ CUDC<br>2 CUs / 371 apps FYTD   |
| ➔ TCI<br>7 CUs / 9,061 apps FYTD           | ➔ LSI<br>1 CU / 442 apps FYTD   |
| ➔ Dealertrack<br>27 CUs / 11,617 apps FYTD | ➔ Allegro<br>4 CUs / 2,256 apps FYTD  |
| ➔ RouteOne<br>32 CUs / 32,587 apps FYTD    | ➔ Fannie 3.2 DU Import<br>20 CUs / 1,367 apps FYTD<br>(AMX, Calyx Pointe, Mortgage Bot, Mortgage Computer, Encompass) |

## 3 Misc Coverage integration partners

*(GAP/warranty)*

- ➔ Frost  
2 CUs / 879 quotes FYTD
- ➔ CUNA Protection Advisor  
20 CUs / 1,725 quotes FYTD
- ➔ Allied (iQQ)  
15 CUs / 1,854 quotes FYTD

# Lender\*VP has built a factory to include 3<sup>rd</sup>-party players

## OUR DEEPEST LOS INTEGRATIONS

### Live with Sync1: 7

- ➔ FYTD applications: 5,431
- ➔ CUs in development: 5



### Live with Lending 360: 4

- ➔ FYTD applications: 9,456
- ➔ CUs in development: 0



### Live with MeridianLink: 4

- ➔ FYTD applications: 4,764
- ➔ CUs in development: 0



### Live with CUDL (indirect-only): 3

- ➔ FYTD applications: 1,352
- ➔ CUs in development: 2

# Lender\*VP has built a factory to include 3<sup>rd</sup>-party players

## OUR DEEPEST LOS INTEGRATIONS

### Live with Sync1: 7

- ➔ FYTD applications: 5,431
- ➔ CUs in development: 5



Championing  
new loan  
disbursement  
integration

### Live with Lender\*VP: 4

- ➔ FYTD applications: 1,352
- ➔ CUs in development: 2

Becoming our  
primary credit  
bureau  
partner

**DIRECT**

### Live with CUDL (indirect-only): 3

- ➔ FYTD applications: 1,352
- ➔ CUs in development: 2



# Lender\*VP has built a factory to include 3<sup>rd</sup>-party players

103 CUS USING ONE OR BOTH OF OUR DECISION MODELS

Live with the FUEL  
decision model: **8**



- ➔ # of pulls March-April 2021: 1,207
- ➔ CUs in development: 12
- ➔ CUs in sales/demo process: 5+

Live with 247 Lender decision  
model: **39**

- ➔ Getting ready to move to FUEL: 5
- ➔ Live as of Jan. 1: 56



Live with Sync1 credit report pulls: **20**

- ➔ # of pulls March-April 2021: 1,889



**17** CUs  
have migrated  
to Sync1 and  
FUEL since  
January!



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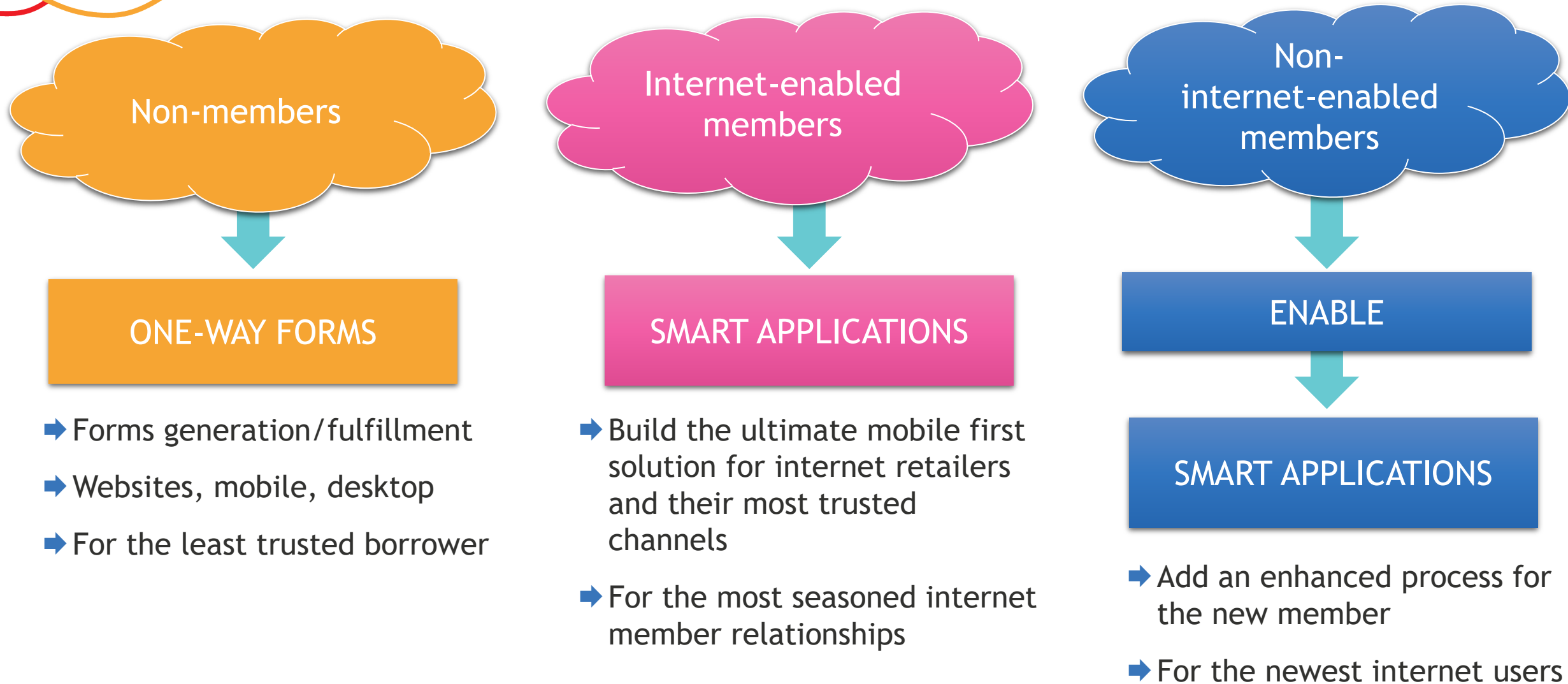
# Mapping Lender\*VP's concerns

FOR THE NEXT 2 YEARS WE'LL PRIORITIZE THESE THINGS (AND WE MEAN IT!)

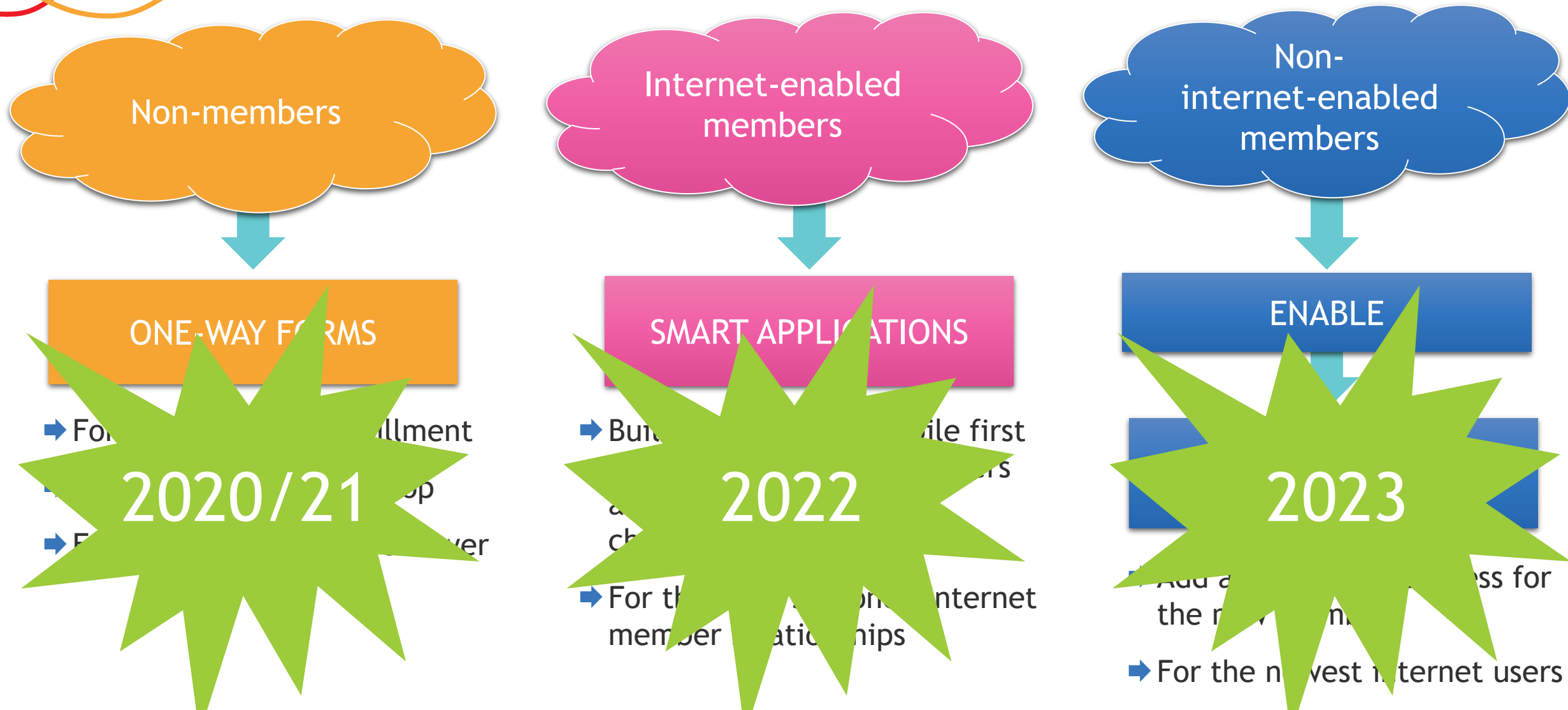
## Native LOS

- ➔ Across the desk
  - ⑤ Invest in what happens *after* the LOS that sets us apart
- ➔ Via the internet
  - ③ A deep and intense focus on the internet-engaged member
- ➔ Evolving CLR Path
  - ④ Focus CUs on separating themselves from their competitors
- ➔ Competing with 3<sup>rd</sup> party LOS solutions
  - ① Invest and develop things that only our LOS can do
- ➔ Redefining lending
  - ② A deep and intense focus on the internet-engaged member

# Where should Lender\*VP focus, and when?



# Where should Lender\*VP focus, and when?



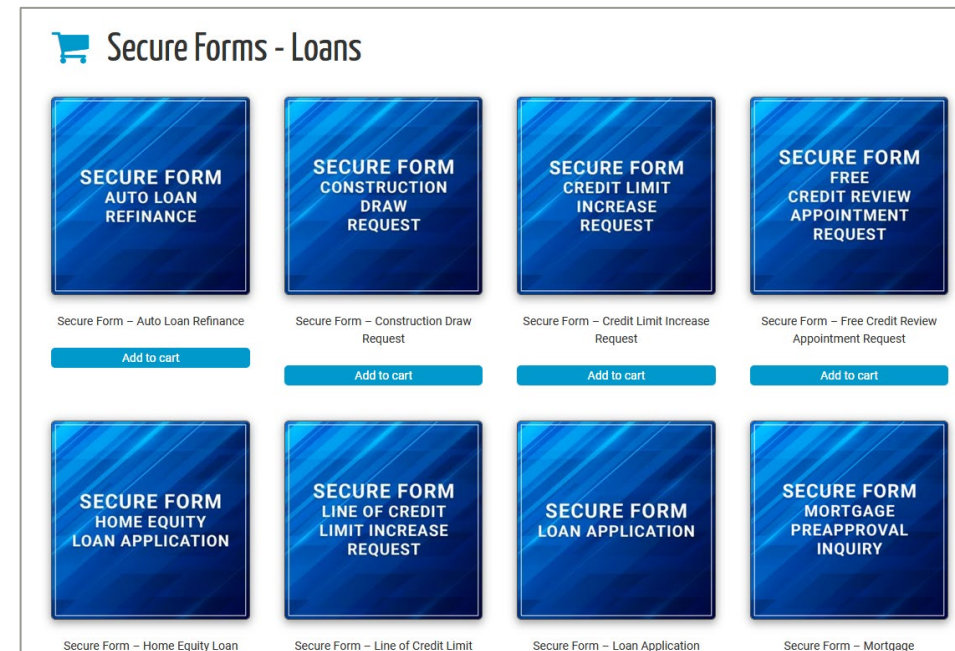
# Secure online forms for your least trusted borrowers: non-members

79

- ➔ **158** active CUs  
150 via IRSC designers / 8 DIY-ers
- ➔ **1,000+** custom forms in play
- ➔ **113,000+** forms submitted



## **Form Generator** **Request Center**



[store.cuanswers.com/store/irsc](https://store.cuanswers.com/store/irsc)

# For your most seasoned internet member relationships

Internet-enabled members

- ➔ A focus on serving **authenticated members**
- ➔ Reducing the clutter in the loan queue
  - Automatic “store and return” for incomplete apps
  - Urgency prompt

I need it now!

Not quite ready, but will need it soon!

Just shopping around, looking for a quote!

- ➔ Quoting insurance coverage up front
- ➔ Smarter handling for secured vs. unsecured apps
- ➔ New payment estimator, pulling from your core config

## In the Kitchen: Online LOS Projects in the Works

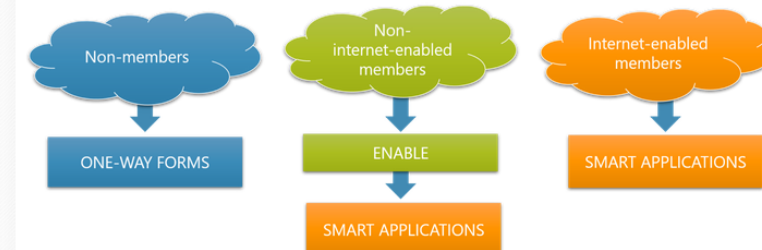
### Online LOS Projects in the Works

>During 2021 we will be working on several projects around our online loan origination and application processes. This recipe outlines a big-picture vision for the key projects we're working on.

#### A Focus on Serving Authenticated Members

Since 85% of online apps are for known members, our intention is to build the most effective flow possible for **serving the internet-enabled, authenticated member**. This means members applying for loans will always log in using their **It's Me 247** credentials, and we can work with these trusted members in new ways to improve the overall member experience.

This means we are moving away from handling non-member loan applications via our online LOS. CU\*BASE itself will, of course, still have pre-membership lending tools, and CUs who use third-party LOS integrations to pull in indirect and other non-member requests will still work as they always have. The difference is that **we will no longer allow a non-member to apply for a loan using our online loan app**.



To accomplish this, we'll be designing a new workflow design for our online LOS. Here are some specifics:

- We'll be rewriting the UX to walk through the entire process, one step at a time, with friendly messaging to make it crystal clear where members go to apply and where non-members go.

[open.cuanswers.com/LOSProjects](https://open.cuanswers.com/LOSProjects)

REDEFINING LENDING

# Database Lending



- ➔ What might we create that would set our processes apart?
- ➔ We don't want to keep up with the Joneses, we want to play a whole new game



# Building an internet retailer's loan department

WE NEED TO PROVE THE POINT NOW SO CU DESIGNERS WILL ADD ANOTHER CYLINDER

<b>Taking Orders</b>	<b>Making Offers</b>
Inspiring people to apply	Inspiring people to take the loan
Higher cost-of-sales investment	Potentially zero cost-of-sales investment
Members are apprehensive about being approved	Members are more confident that all will go well
In-the-moment underwriting	Campaign-based underwriting
Relies on a proactive member: higher barrier to entry	Takes advantage of impulse-buying: lower barrier to entry
More likely to require CU employee participation	Requires only up-front CU employee participation
Will always be part of the CU's lending approach	In a short time, should surpass the volumes of order-taking lending



# Dream with me a bit...

(A MARKETER'S MATH THAT MIGHT MAKE YOUR HEAD SWIM)

14	campaigns in a year
<u>400</u>	members per campaign
5,600	members offered a loan each week
291,000	offers made to targeted members per year

5,600	members being offered a loan
<u>4.5</u>	average views per targeted member per week
25,200	opportunities for a member to say yes per week
1.3 million	opportunities for a member to say yes per year

If you only receive 1,000 applications a week, with one chance for you and the member to say yes, you only get 52,000 opportunities for it to work out

# Building an internet retailer's loan department

Can we convince you to invest in a future where you make secured loans via database offers?

Should we modify loan apps to receive collateral verifications and remove the employee from the transaction altogether?

20.07 1Click Credit Card Offers

*(Also launched Flex loans & a new eSign experience)*



20.11 CD-secured Loan Offers

21.10 1Click Unsecured Offers

*(for signature loans & LOCs)*



Coming soon!

21.10 Savings-secured Loan Offers

## REDEFINING LENDING

# Stop sharing member relationship data with the world



- ➔ Every day, you compete with lenders who are more powerful, more successful financially, and able to reach more consumers than you can dream of
- ➔ You think you have the secret sauce for success
- ➔ In reality, everybody uses the same secret sauce to say yes or no

To give yourself a lending edge, can you rely on what you, and only you, know about your members?

# CLR Path Decision Advisor

UNDERWRITING DECISIONS BASED ON WHAT YOU ALREADY KNOW ABOUT YOUR MEMBERS

- ➔ Introduced in the 20.11 release
- ➔ Active CUs: **28**
  - ➔ 19 CU\*Answers, 9 Site-4
- ➔ Templates configured: **48**
  - ➔ Most CUs have just one or two
- ➔ CLR Path scores pulled: **16,381**

We'll be adding CLR Path to:

- ➔ Teller tools
- ➔ Phone Operator
- ➔ New Membership Workflow

Session 0 CU\*BASE GOLD

File Edit Tools Help

### CLR Path Results

Member **MARY DORROWER**

CLR Path report # 27 Minimum score to pass 600

CLR Path score 35 Run on 09/17/2020 Time 15:16:59 Program MODEL 1

Criteria	Earned Points
Member open at least 12 months	50
Member age between 18 and 45	0
Previous credit score(s) between 700 and 999 Include only scores pulled within the past 12 months	0
Average aggregate share balance over the previous 12 months of at least \$100,000.00	0
At least 1 paid off/closed loans in the previous 12 months	0
Previous paid off loan balance higher than \$1,000.00	50
AQH and/or payroll deposits of at least \$1,000.00 per month over previous 12 months	50
Tiered services Level C	25
SEG/Sponsor code	0
Insider/Employee type	10
Existing loan balances of \$1,000.00 to \$2,000.00	0
Existing LOC balances of \$1,000.00 to \$2,000.00	0
Loan category codes	0
Existing loans in delinquent status	50
Existing loans over limit	0
Existing loans (active or closed) have been delinquent more than 4 times	100
Loan write-off/charge-offs in previous 12 months	0