



Sign In
Your Account



Hosted by Ed Swanson



Webinar 43 • Online Training

Cross-Selling Strategies to Build Member Loyalty and Embracing a "Pairs Great With..." Strategy

HOME

NEW PRODUCTS

SPECIALS

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Do you want
fries with
your order?

**We Also
Recommend
these Great
Items:**

MBI

Newer cars are loaded with technology & mini computers making our lives easier. When these break, repairs can be astronomical.

GAP Insurance

On average, new cars depreciate 25% off the lot & it takes 75% of the term to not be upside down.

Credit Cards & Debt Consolidation

While you are here, lets boost your credit score and cut the interest you are paying to others. We'll pay off revolving debt and convert your debt to us.

Ed Swanson



Menu



Cart



Search



Pairs great with...

Our stylist recommends...

Customers who bought items in your cart also bought...

Oops you forgot something...

Did you leave something?

Do you want fries with that?





“Do You Want Fries With That?”



How often do you visit an on-line store and purchase more than you originally planned?

Retail stores are excellent at pointing what others with similar shopping habits or tastes also found enticing or beneficial.

Isn't it time we adopt the same philosophy?





Webinar 43



We will demonstrate why going beyond “filling the order” is so important and give you the tools to accomplish this. Strong indicators of successful sales and member loyalty include:

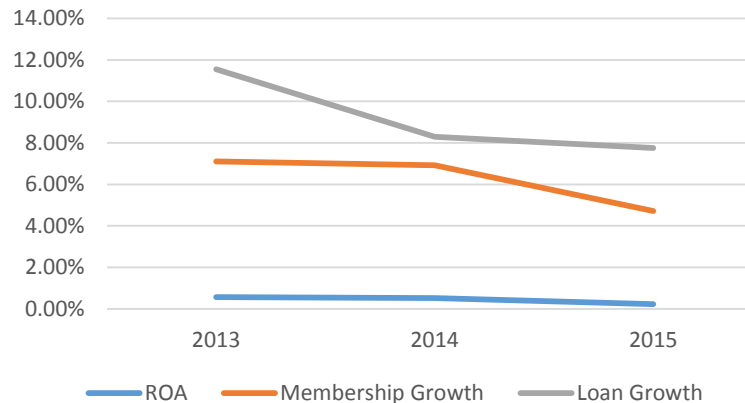
- Positive loan growth
- Positive membership growth
- Positive earnings

How many of you know your quarterly membership growth?



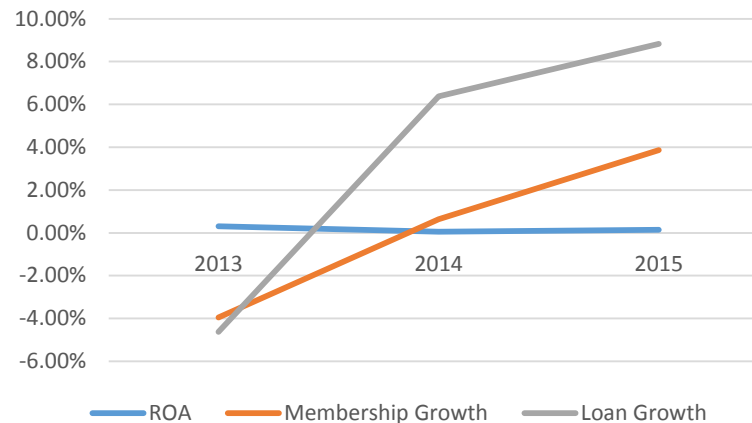
Credit Union that only “Fills the Order”

Note the impact membership growth has on loans & earnings.



- 34% decline in membership
- 33% decline in loan growth
- 60% drop in earnings

Credit Union that “Exceeds the Order”



- 198% increase in membership
- 291% increase in loan growth
- 55% drop in earnings (2013 to 2015)
- **2014 to 2015 earnings increased by 133%**



Challenges We Face



- Are our employees proactive versus reactive?
- Are we just completing the member's request by simply filling the order?
- Are we taking the time to increase the relationship with our new members as well as we are with our existing members?
- What is our employees breadth and depth of product knowledge of what the credit union offers?
- How do we maximize the time that we have with our members, both new and existing?
- What is our level of follow-up with our members?





What Our Members Are Saying



I want VALUE with the products & services offered

I want COMMUNICATION with my CU

I want a POSITIVE ATTITUDE from the staff

I want RELIABILITY from my financial institution

I want ASSURANCE my money is safe and sound

I want EMPATHY from the employee I talk to

I want EXCEPTIONAL SERVICE from my CU

I want a QUICK REVIEW of my loan request

Note: Our Credit Union Members are not saying....

“Please sell me more stuff”



How to Deliver “WOW” Service



How many of our members walk out of the front door or hang up the telephone or logoff of their computer and say to themselves...

“Wow, my credit union sure gave me a heck of a lot more than I expected --- I’m so glad that I have my money on deposit with them as well as my loan business”

Our goal should be to provide this experience with every form of contact that we have with one of our members.

Think of your own personal experiences at retail stores, restaurants, hotels, vehicle mechanics, hair dressers, etc.:

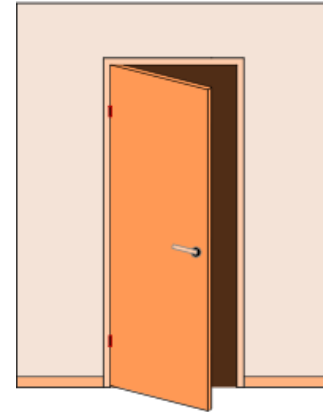
1. Why do you continue to go back to them again and again?
2. What is the type and the quality of the service that you have received from these organizations that bring you back?
3. What type of things do the customer service people do at the places that you like to go to in order to give you a that feeling of “wow” and demonstrate to you that they appreciate your business?



Why Do Members Leave?



- Impersonal service
- Poor response time
- Unavailability of products/services
- Unfriendly employees
- Inability to handle problems effectively
- Excuses instead of results
- Nickel and diming with fees – becoming too “bank-like” in our approach
- Poor service delivery of products
- Poor or limited training of the employees





It All Starts in the Beginning ...



- What type of members are coming through your doors or calling into your call center?
- What type of members do you want to attract to do business at your credit union?
- What type of members create the most value for the shareholders of the credit union?
- We are in a very simple business---we “buy” money in the form of deposits and we “sell” money in the form of loans.

Creating Value

	'One and Done' Member	"Do you want fries with that?" Member
Type of Loan Shopper	Shops around for the best rate and has lots of creditors on credit report	Uses the credit union exclusively
Loan Relationship at Credit Union	Is only using the credit union for an extraordinary low rate	Has all their loan business with the credit union regardless of rate – sees the value beyond the rates
Deposit relationship	Deposits the minimum \$5 or \$25 share requirement	Has a draft account, ATM card, credit card, holiday club, etc.
Do they know us?	Never steps foot into the credit union	Comes to the credit union regularly and knows staff by name
Loan Characteristics	Will pay their loan off early and the credit union earns minimal \$	Uses credit union for all borrowing needs
Loyalty Factor	None	Loyal to the credit union



Running in Place Conundrum



- You will never achieve positive membership growth if you are only serving “one and done” members and members are going out the door as fast as new ones are coming in!





How Do We Avoid Only Having “One and Done” Members?

What credit unions need to do?

- Recognize the opportunity
- Find out the motivation
- Care enough to save the new member money
- Have sales people open new accounts
- Reward them for building the business

Members of all ages join; let's look at the opportunities.

You need your best, most outgoing employees opening accounts.

- Never open accounts at teller windows unless there is no other option.
- The employee who opens accounts must have loan knowledge and be able to pull and explain credit reports
- Show the new member how much money we can save them.
- Tell them about your credit makeovers and how this will dramatically improve their credit score.

Employees opening accounts should **receive incentives and have sales goals.**

The key is to sell products that increases the potential facetime you will have with your member including checking, credit cards, direct deposit, e-banking, etc.





Where it Sometimes Falls Apart



The Employee Feels uncomfortable selling:

- They do not like when someone tries to sell them something.
- Sales is associated with telemarketing.
- Their previous job at the bank made them sell.
- They don't like rejection.

Common Objections that members have when it comes to expanding the relationship:

- "I want to think about it"
- "It isn't convenient for me"
- "It is a pain to think about my finances"
- "It's a hassle to switch everything over"
- "I'm happy where I'm at with my other financial institution"





Where it Sometimes Falls Apart



Continued

The following will help overcome the above concerns and objections:

- Members are the owners, we work for them.
- Our CU Members often do not know they got a bad deal and how much they could have saved by coming to the CU.
- Many of our members live from payday to payday. They are looking for our help.
- Should our members pay more than they feasibly could just because:
 - Our employees are afraid of rejection.
 - We do not like someone trying to sell us something in our own experiences , so, therefore, we are not going to take the time to help the member save some money.
 - We just refuse to take the required time; we will only do what is necessary to keep our job and “fill the order.”





Where it Sometimes Falls Apart



Continued

Too process driven:

- They are trained to explain the account process in the *shortest* timeframe.
 - “You are not in our field of membership.”
- They simply ask for two forms of I.D.
- They only ask for the minimum deposit of \$25
- They do not pull credit reports or they are done as an after thought as part of the overall documentation

Selling is optional and not required—there is not a sales culture:

- There are no goals established
- The results are not tracked
- There are no rewards for employees who go above and beyond and cross sell additional products and services





When it Comes Together



We Have the Right Employees to Have a Sales Culture

Attributes of a Good Sales Person

- **They like to make money** and the more they make, the happier they are. It's hard to have a sales culture without incentives.
- **They have the right attitude**. They view every phone call, not as additional work, but as an opportunity. They are always upbeat and positive. They enjoy life.

NOTE: Incentive programs help a great deal and will help insure you will have success.

- **They love a challenge**. A good sales person gets excited when they can change a member's thinking. They open the member's eyes and totally delight the member.
- **They love to compete**. Knowing their results and others is critical to their success. Sales people want to know everything that's going on and how they can help.
- **Goals are important**. The reason they like goals is because they enjoy being measured, exceeding goals, setting new records and standards. Goals have to be challenging so when they exceed them, they can say... "I told you so."





When it Comes Together



Continued

- **They find a way to get things done.** They have a “yes we can” attitude. Unlike most people, a good sales person is going to figure out a way to make the loan, to understand and meet the member’s requirements. Good sales people are also very creative, always trying to figure out a way to say “yes.”
- **They are not patient.** They have a “sense of urgency” because they love the challenge; to compete and to get feedback; they want to close the deal. The only way they know they have been successful is “to close the deal.” Once it is booked, they can start their next deal.
- **They have great listening skills.** A good sales person knows that it is important to see what motivates the members such as:
 - Price - A quick response - The product itself
 - Payment - A positive response - Something that is easy
- **They believe in and use the products themselves.** If your own employees are using the competitors’ products, how can they get excited about selling yours? A better question is why did our own people choose a competitor? You need to find out the answer to this question.





When it Comes Together



Continued

- Employees know how to overcome objections.
The steps to overcome objections:
 1. Reiterate the objection – “Let me see if I understand this...” or “Am I correct in concluding...”
 2. Agree and/or empathize with the objection
 3. Overcome the objection by:
 - Reiterating how the product will benefit them
 - Offering a feature or a benefit that overcomes the objection that the member is raising





Overcoming Objections - Scenarios



"It's a hassle to switch" example

- Member – "I don't know, it is such a hassle"
- "I agree that it might be perceived as challenging to set up direct deposit and wait for your checks to arrive, but the ease of doing business with us, and the convenience and coverage of our ATM Network and shared branching will save you time. Plus our convenience and higher interest rates will help you to save time and earn more money on your accounts."

"I'm happy where I am at" example

- Member – "I'm happy with Bank of America"
- "I can appreciate that you are happy with them...but just out of curiosity, what is it that you like about banking with them?"
- "Because we offer the same convenience as Bank of America, we will save you money in the long run, and pride ourselves on our service as a non for profit co-operative, would you be willing to give us a try...can we start your account today?"





Overcoming Objections – Scenarios



Continued

“I need to think about it” example

- **Key** - find the hidden objection
- “If you don’t mind me asking, what is it you are unsure of”
- “To help me understand further, Mr. Member, what is it exactly that you were wanting to think about”
- “I’m sure you will give this decision careful consideration; Mr. Member but just out of curiosity---is it our level of service, or the interest rate, or the convenience...”



What are Open-Ended Questions



You can't uncover needs of our members without asking questions

- "What brought you into the Credit Union today?"
- "Where do you have your checking account? How satisfied are you with them?"
"Have you ever considered opening an account with us?"
- "What do we do well in handling your financial needs?"
- "What would you like to see the credit union change?"
- "How is your new home equity loan working out for you?"
- "What is important to you---what are your financial goals?"
- "Do you foresee any major expenses in the near future?"
- "Are we meeting all of your financial needs?"
- "Where in town do you have your automobile financed?"
- "Have you thought about how you are going to pay for your child's higher education?"
- "How do you usually pay for your holiday spending?"

Example of a “One and Done” Member that had Opportunities for More

Name	Beth			Balance	Available
Age	25		Regular Share	\$40	\$35
Member Since	8/31/2015		Checking	\$0	\$0
			2 accounts	\$40	\$35

- Mystery Member – Why did she join the credit union/motivation?
- Did we arrange for her direct deposit?
- What is she driving? (see following pages for the credit report)
- How can we save her money?
 - Refinance her auto
- How can the credit union drive up her credit score?
 - Score rebuilding - Free service (score enhancement)
 - Revolving credit card to establish capacity

Even though the credit union sold a checking, odds are not high they are trending at becoming the member's PFI.

Questions to Ask New Members:

1. Why have you decided to open up this account today?
2. How did you pick us? We're glad you did.
 - Did you like our savings rates?
 - No fee checking?
 - Loans/rates
3. Did someone refer you so we can thank them?
4. Do you currently have a checking account and where are you banking now?
5. How did your bank or credit union fall short?
We don't want to make the same mistakes.

Note: Your marketing team should meet with your employees during new member interviews to learn why the member chooses you. This will determine who and how to market the credit union.

New members can become a big asset in creating awareness that the credit union is a terrific place to save and borrow. Marketing should meet with employees at least once a month.

<CURRENT ADDRESS>	<DATE RPTD>
<FORMER ADDRESS>	9/08

<CURRENT EMPLOYER AND ADDRESS>	<POSITION>	<VERF>	<RPTD>
	OFFICE CLERK	6/12	6/12
<FORMER EMPLOYER AND ADDRESS>	CASHIER	9/08V	9/08

```
****SSN YEAR OF ISSUANCE :INPUT SSN ISSUED: 1990 - 1991; STATE: ME  
FILE SSN ISSUED: 1990 - 1991; STATE: ME;  
(EST. AGE OBTAINED: 00 TO 01)***
```

***FICO CLASSIC 08 SCORE (566) : 040, 027, 014, 016 ***

C R E D I T S U M M A R Y				* * *				T O T A L F I L E H I S T O R Y			
PR=0	COL=19	NEG=0	HSTNEG=0	TRD=1	RVL=0	INST=1	MTG=0	OPN=0	INQ=3		
		HIGH CRED	CRED LIM	BALANCE	PAST DUE	MONTHLY	PAY AVAILABLE				
INSTALLMENT:		\$13.6K	\$	\$5324	\$0	\$404					
TOTALS:		\$13.6K	\$	\$5324	\$0	\$404					

SUBNAME	SUBCODE	EOA	OPENED	CLOSED	\$PLACED	CREDITOR	MO
ACCOUNT#			VERIFIED		BALANCE	REMARKS	
THOMAS AGENCY	Y	I	8/14		\$3298	<u>MEDICAL</u>	09
			11/14A		\$3298	PLACED FOR COLLECTIO	
THOMAS AGENCY	Y	I	8/14		\$282	<u>MEDICAL</u>	09
			11/14A		\$282	PLACED FOR COLLECTIO	
THOMAS AGENCY	Y	I	7/14		\$77	<u>MEDICAL</u>	09B
			10/14A		\$77	PLACED FOR COLLECTIO	
THOMAS AGENCY	Y	I	7/14		\$57	<u>MEDICAL</u>	09B
			10/14A		\$57	PLACED FOR COLLECTIO	
THOMAS AGENCY	Y	I	7/14		\$273	<u>MEDICAL</u>	09B
			10/14A		\$273	PLACED FOR COLLECTIO	
STELLAR REC	Y	I	5/14		\$106	01 TIME WARNER CAB	09B
			6/14A		\$106	PLACED FOR COLLECTIO	
THOMAS AGENCY	Y	I	2/14		\$165	<u>MEDICAL</u>	09B

24

With us educating the member and a little hard work, she will be paying a lot less on her next car loan. This is how you gain loyalty!

				5/14A	\$165	PLACED FOR COLLECTIO	
THOMAS AGENCY	Y	I	2/14	\$404	MEDICAL	O9B	
			5/14A	\$404	PLACED FOR COLLECTIO		
THOMAS AGENCY	Y	I	2/14	\$134	MEDICAL	O9B	
			5/14A	\$134	PLACED FOR COLLECTIO		
THOMAS AGENCY	Y	I	2/14	\$1456	MEDICAL	O9B	
			5/14A	\$1456	PLACED FOR COLLECTIO		
THOMAS AGENCY	Y	I	12/13	\$7753	MEDICAL	O9B	
			3/14A	\$7753	PLACED FOR COLLECTIO		
THOMAS AGENCY	Y	I	11/13	\$1236	MEDICAL	O9B	
			2/14A	\$1236	PLACED FOR COLLECTIO		
THOMAS AGENCY	Y	I	10/13	\$796	MEDICAL	O9B	
			1/14A	\$796	PLACED FOR COLLECTIO		
THOMAS AGENCY	Y	I	7/13	\$89	MEDICAL	O9B	
			10/13A	\$89	PLACED FOR COLLECTIO		
THOMAS AGENCY	Y	I	7/12	\$370	MEDICAL	O9B	
			11/12A	\$370	PLACED FOR COLLECTIO		
THOMAS AGENCY	Y	I	7/12	\$114	MEDICAL	O9B	
			10/12A	\$114	PLACED FOR COLLECTIO		
THOMAS AGENCY	Y	I	7/12	\$228	MEDICAL	O	
			10/12A	\$228	PLACED FOR COLLECTIO		
THOMAS AGENCY	Y	I	12/11	\$141	MEDICAL	O	
			3/12A	\$141	PLACED FOR COLLECTIO		
FCO	Y	C	11/13	11/14F \$838	09	VILLAGE O	
			12/14A	\$0	ACCT INFO DSP BY CSM		

T R A D E S							
SUBNAME	SUBCODE	OPENED	HIGHCRED	TERMS	MAXDELQ	PAYPAT	1-12 MO
ACCOUNT#		VERIFIED	CREDLIM	PASTDUE	AMT-MOP	PAYPAT	13-24
ECON COLLATRL/LOANTYPE	CLSD/PB	BALANCE	REMARKS			MO	30/60/90
SANTANDER	F	8/12	\$13.6K	49M404		1111111111X1	101
		6/15A		\$0		111111111111	
C	AUTOMOBILE		\$5324			34	0/0/0

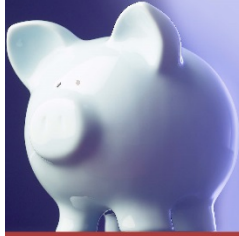
I N Q U I R I E S							
DATE	SUBCODE	SUBNAME	DATE	SUBCODE	SUBNAME		
7/11/15		FCU	5/15/15		SYNCB/OLDNV		
1/08/14		WFDS					

C R E D I T R E P O R T S E R V I C E D B Y :							
TRANSUNION				800-888-4213			

Note: Only 17 payments left on the loan – we should not only be looking at refinancing, but making sure we get the next car loan too!

- Refinance Opportunity**
- Perfect payment history – note: 34 on-time payments
 - Currently paying 19.4%; refinance and cut rate to 12.50%
 - Cut payments and save member some money
 - Potential loan income: \$700
 - Who is mystery signer – can they become a member too?

In summary, how much value did this new member receive by depositing \$40? How much value did the credit union receive from this transaction?
Santander has earned \$4,300 off of this member so far!



show members what they can save

By Calculating Interest Rates of the Competition



Be Sure to Use a Texas Instruments BA II Plus Calculator!

Tools of the Trade

Calculating what others are charging our members and how we can save them money makes it difficult for the member to say 'no'.

NOTE: The credit report must show the following 3 factors:

- Gross loan amount
- Monthly payment (On mortgages, if the payment includes taxes and insurance. They must be backed out.)
- The term (You can only calculate the rate on installment loans.)

Step 1: Enter the high credit off the credit reports or original balance = 7000

Step 2: Press PV (Present Value)

PV= 7000.00

Step 3: Enter the number of months on loan = 61

Step 4: Press N

N= 61.00

Step 5: Enter payment of loan = 149

Step 6: Press +/- (To make the payment negative)

If this is not completed, an ERROR 5 will appear when computing interest.

Step 7: Press PMT

Step 8: Press CPT (Compute)

Step 9: Press I/Y to figure the interest the member is paying at your competition.

*There may be a slight delay while calculating.

I/Y= 10.62

To compute the savings the member would receive by refinancing with the credit union...*Do not erase any of the above*

Step 10: Enter your current rate on loan = 5.95

Step 11: Press I/Y

I/Y= 5.95

Step 12: Press CPT

Step 13: Press PMT (To calculate the payment at the credit union)

PMT= -133.26

Step 14: Add old payment to new payment. (This will figure the difference between the credit union & the competition = 149)
 $(-133.26) + 149 = 15.74$

15.74

Step 15: Multiply the number of payments left in the loan = 53
 $15.74 \times 53 = 834.02$

834.02



Good Service Takes Time



Care Enough to Want to Save the Member Money

*They Really Won't Know
What You Can Do For Them
Unless You Tell Them.*

*We need to work at getting more than just the minimum
from the relationship*





Score Enhancement



Score enhancement is a unique competitive advantage credit unions have over all other lenders provided they embrace the concept and put it into practice. Even our best member can fall prey to falling out of the coveted “A or platinum scores” by not understanding the impact of their actions.

Why do we believe this will is very powerful tool?

1. Most members do not know their scores (even though this is changing).
2. Most members would really appreciate knowing:
 - *What makes up their score*
 - *How to improve their score*
 - *Where to go and get help*



3. Members deserve the right to earn a lower rate if they really take the time to clean up their credit.
4. Credit Union employees must become knowledgeable, so they can help members improve their credit scores and get better loan rates.
5. Any financial institution willing to show members or customers “how to pay less” will have tremendous credibility and get all of the member’s business.

1. Range of Scores:

- 730-830=A+ or Platinum
- 680-729=A
- 640-679=B
- 600-639=C
- 550-599=D
- 549 & Below=E



2. What Makes Up Your Credit Score?

- 35% = Payment History (i.e. on-time pays or delinquencies)
 - More weight on current pay history
- 30% = Amount Owed (a.k.a. Capacity)
- 15% = Length of Credit
- 10% = New Credit (accumulation of debt in the last 12-18 months)
 - # of inquiries
 - Opening dates
- 10% = Type of Credit
 - Installment (can raise) vs. revolving (can lower)
 - Finance company loans can lower your score

3. What Actions Will Hurt Your Score?

- Missing payments
- Credit cards at capacity (i.e. maxing out credit cards)
- Shopping for credit excessively
- Opening up numerous trades in a short time frame
- Having more revolving debts in relation to installment debts
- Closing credit cards out (this could lower available capacity)
- Borrowing from finance companies

4. How Can You Improve Your Score?

- Pay off or pay down on your credit cards
- Do not normally close credit cards as it may decrease your capacity. The exception to this is when you have had a bad experience with credit cards and you don't want to go down that road again.
- Move your revolving debt into installment debt
- Continue to make payments on time (older late pays will become less significant with time)
- Slow down on opening new accounts
- Acquire a solid credit history with years of experience

5. Approximate Credit Weight for Each Year:

- 40% = Current to 12 months
- 30% = 13-24 months
- 20% = 25-36 months
- 10% = 37+ months



More Americans' Credit Scores Sink to New Lows
About 1 in 4 Consumers With a Credit Account Has a Credit Score of 599 or Lower
Americans' credit scores are getting worse.

The latest analysis by FICO Inc., based on consumer credit reports as of April, shows that millions more Americans have credit scores that could prevent them from getting credit cards, auto loans or mortgages under the tighter lending standards banks now use.

Restricted access to credit is one reason for the slow economic recovery.

About a quarter of consumers - 25.5 percent, or nearly 43.4 million people - now have a credit score of 599 or below, marking them as poor risks.

That's a big jump over the historical rate of 15 percent of the 170 million consumers with active credit accounts (or 25.5 million people) falling below 599.

Yet, the number of consumers who have a top score of 800 or above has also increased in recent years.



Showing Members How Much They Can Save By Improving Their Scores

Loan Amount	Term	Score	Rate	Payment	Total of Payments	Interest Paid	Savings
\$20,000	60 mos.	730+	2.95%	\$359.00	\$21,540.42	\$1,540.42	\$0
\$20,000	60 mos.	680-729	3.95%	\$367.95	\$22,077.29	\$2,077.29	\$536.87
\$20,000	60 mos.	640-679	5.95%	\$386.26	\$23,175.78	\$3,175.78	\$1,635.36
\$20,000	60 mos.	600-639	11.95%	\$444.45	\$26,666.71	\$6,666.71	\$5,126.29
\$20,000	60 mos.	550-599	14.95%	\$475.33	\$28,519.82	\$8,519.82	\$6,979.40
\$20,000	60 mos.	549 and below	17.95%	\$507.38	\$30,442.60	\$10,442.60	\$8,809.18

Note: The “E” paper member will end up paying \$148.38 more than the “A+” member pays per month. The cumulative interest is \$8,809.18 more than the “A+” member has to pay over 60 months.

The point is this: It pays to have a good score.

Very important

- Show the members their scores.
- Show them how many points they need to get to the next score level.
- They need to clearly understand what it takes to get to where they want to be.
- Finally, offer them the opportunity to refinance their loan after 1 year, if they contact you, provided their score has improved.



Example of "Score Enhancement" as a Sales Tool

What actions would you do to help drive up the credit score?

Code 38 is lessening
the impact as the BK
was 4 years ago

RETIRED

<FORMER EMPLOYER AND ADDRESS>
BARON CENTER

11/08 11/08

SPECIAL MESSAGES

ID MISMATCH ALERT: CURRENT INPUT ZIP CODE INVALID

****HIGH RISK FRAUD ALERT: INPUT CURRENT ADDRESS HAS BEEN USED (010) TIMES
IN THE LAST (60) DAYS ON DIFFERENT INQUIRIES***

****SSN YEAR OF ISSUANCE : INPUT SSN ISSUED: 1980 - 1982; STATE: ME
FILE SSN ISSUED: 1980 - 1982; STATE: ME;
(EST. AGE OBTAINED: 15 TO 18)***

MODEL PROFILE

***FICO CLASSIC 08 ALERT: SCORE +672 : 038, 012, 010, 013 *** IN ADDITION
***TO THE FACTORS LISTED ABOVE, THE NUMBER OF INQUIRIES ON THE CONSUMER'S
***CREDIT FILE HAS ADVERSELY AFFECTED THE CREDIT SCORE.

CREDIT SUMMARY

PR=1	COL=0	NEG=1	HSTNEG=1-1	TRD=63	RVL=31	INST=32	MTG=0	OPN=0	INQ=6
REVOLVING:	\$8616	\$14.5K	\$5995	\$0	\$256	59%			
INSTALLMENT:	\$11.2K	\$	\$9685	\$0	\$312				
TOTALS:	\$19.8K	\$14.5K	\$15.6K	\$0	\$568				

PUBLIC RECORDS

SOURCE	DATE	LIAB	ECOA	COURT	ASSETS	PAID	DOCKET#
TYPE							PLAINTIFF/ATTORNEY
Z	2/11R	I	FE			6/11	
CHAPTER 7 BANKRUPTCY DISCHARGED							

TRADES

SUBNAME	SUBCODE	OPENED	HIGHCRED	TERMS	MAXDELO	PAYPAT	1-12 MOP
ACCOUNT#		VERIFIED	CREDLIM	PASTDUE	AMT-MOP	PAYPAT	13-24
ECOA COLLATRL/LOANTYPE		CLSD/PD	BALANCE	REMARKS		MO	30/60/90
DISCOVERBANK	B	10/14	\$1276	MIN37		11111111	R01
		7/15A	\$1400	\$0			
I	CREDIT CARD		\$1189			8	0/0/0
CAP1/GUITR	D	4/14	\$1070			111111111111	R01
		7/15A	\$1500	\$0		11	
I	CHARGE ACCOUNT	2/15P	\$0			14	0/0/0

BOTH
Gains ↓

Note: despite perfect
pay history since 2011,
the 59% of capacity
available is driving the
score down.
Code 12: Length of time
revolving accounts have
been established
Code 10: Capacity

CHASE AUTO B	1/15	\$11.2K	36M312	1111	I01
	6/15A	\$0			
I AUTO LEASE		\$9685		4	0/ 0/ 0
FCU IQ	3/14	\$1881	MIN31	111111111111	R01
	6/15A	\$2000	\$0	11	
I CREDIT CARD		\$1535		14	0/ 0/ 0
SYNCB/AMAZON D	11/13	\$88	MIN25	111112111111	R01
	6/15A	\$900	\$0	1111111	
I CHARGE ACCOUNT		\$38		19	1/ 0/ 0
SYNCB/WALMAR D	11/12	\$134		111111111111	R01
	6/15A	\$900	\$0	111111111111	
I CHARGE ACCOUNT	6/13C	\$0	CRDT CARD LOST/STOLEN	31	0/ 0/ 0
SYNCB/WALMAR D	11/12	\$475	MIN35	111111111111	R01
	6/15A	\$1000	\$0	111111111111	
I CHARGE ACCOUNT		\$90		30	0/ 0/ 0
SYNCB/JCP D	1/06	\$192		111111111111	R01
	6/15A	\$800	\$0	111111111111	
I CHARGE ACCOUNT	6/11C	\$0	CLOSD BY CRDT GRANTOR	48	0/ 0/ 0
CREDITONEBNK B	12/13	\$1778	MIN85	111111111111	R01
	6/15A	\$1950	\$0	111111	
I CREDIT CARD		\$1697		18	0/ 0/ 0
SYNCB/CARECR F	7/13	\$203		111111111111	R01
	6/15A	\$2100	\$0	111111111111	
I CHARGE ACCOUNT	10/14C	\$0	CRDT CARD LOST/STOLEN	23	0/ 0/ 0
SYNCB/CARECR F	7/13	\$203		111111111111	R01
	6/15A	\$2100	\$0	1111111111	
I CHARGE ACCOUNT	10/14P	\$0		22	0/ 0/ 0
SYNCB/JCP D	7/95	\$97		111111111111	R01
	6/15A	\$124	\$0	111111111111	
I CHARGE ACCOUNT	6/11C	\$0	CLOSD BY CRDT GRANTOR	48	0/ 0/ 0
SEARS/CBNA B	1/93	\$1643		111111111111	R01
	6/15A	\$2300	\$0	111111111111	
I CREDIT CARD	8/09C	\$0	ACCT CLSD BY CONSUMER	48	0/ 0/ 0
CAPITAL ONE B	6/13	\$1446	MIN43	111111111111	R01
	6/15A	\$1500	\$0	111111111111	
I CREDIT CARD		\$1446		23	0/ 0/ 0
SYNCB/LENSCR F	5/07	\$449		111111111111	R01
	6/15A	\$1000	\$0	111111111111	
I CHARGE ACCOUNT	9/08C	\$0	CLOSD BY CRDT GRANTOR	48	0/ 0/ 0
CB/WMNWTHN C	1/15	\$113		11	R01
	4/15A	\$250	\$0		
I CHARGE ACCOUNT	2/15P	\$0		2	0/ 0/ 0
BRCLYSBANKDE B	6/09	\$564		111111111111	R01
	11/13A	\$800	\$0	111111111111	
I CREDIT CARD	9/10C	\$0	ACCT CLSD CNSMR/CHP	7 48	0/ 0/ 0



Action Plan



- Educate the member on their credit score and their spending habits
- Payoff \$6,000 in revolving credit card debt
 - 12.95% @ 36 months = \$1,200 in loan income to CU
- Member's score would potentially be driven up approximately 40 points
 - By the credit union doing this action, Code 10 (Capacity) will fall in the score code pecking order. Code 12 is all on the member.

Determining the Direction the Score is Heading

Perfect Credit

The score is often going down if the score is in the 700+ or high 600s and you see these reasons. Focus on the four credit bureau factors right under the score.

Equifax Code

- 10 - proportion of balances to credit limits is too high on bank revolving or other revolving accounts
- 33 - proportion of loan balances to loan amounts is too high
- 30 - time since most recent account opening is too short
- 14 - length of time on all accounts have been established
- 12 - length of time revolving accounts have been established
- 11 - amount owed on revolving account is too high
- 9 - too many accounts recently opened
- 8 - too many inquiries last 12 months
- 6 - too many consumer finance company accounts
- 5 - too many accounts with balances
- 1 - amount owed on accounts is too high

Trans Union Code

- 10 - proportion of balances to credit limits is too high on bank revolving or other revolving accounts
- 30 - time since most recent account opening is too short
- 14 - length of time accounts have been established
- 12 - length of time revolving accounts have been established
- 9 - too many accounts recently opened
- 8 - too many inquiries last 12 months
- 6 - too many consumer finance company accounts
- 5 - too many accounts with balances
- 3 - proportion of loan balances to loan amounts is too high
- 1 - amount owed on accounts too high

Experian Code

- 10 - proportion of balance to high credit on bank revolving or all revolving accounts
- 33 - proportion of current loan balance to original loan amount
- 14 - length of time accounts have been established
- 12 - length of revolving account history
- 9 - number of accounts opened within the last 12 months
- 8 - number of recent inquiries
- 6 - number of finance company accounts
- 5 - number of accounts with balances

Colorful Credit

The score is often going up if the score is in the 600s and you see these reasons. Focus on the four credit bureau factors right under the score.

Equifax Code

- 39 - serious delinquency
- 38 - serious delinquency, and derogatory public record or collection filed
- 34 - amount owed on delinquent accounts
- 20 - length of time since derogatory public record or collection is too short
- 19 - too few accounts currently paid as agreed
- 18 - number of accounts with delinquency
- 13 - time since delinquency is too recent or unknown
- 2 - level of delinquency on accounts

Trans Union Code

- 40 - derogatory public record or collection filed
- 39 - serious delinquency
- 38 - serious delinquency, and public record or collection filed
- 27 - too few accounts currently paid as agreed
- 21 - amount past due on accounts
- 20 - length of time since derogatory public record or collection is too short
- 18 - number of accounts with delinquency
- 13 - time since delinquency is too recent or unknown
- 2 - level of delinquency on accounts

Experian Code

- 40 - derogatory public record or collection field
- 39 - serious delinquency
- 38 - serious delinquency and public record or collection filed
- 21 - amount past due to accounts
- 20 - length of time since legal item filed or collection item reported
- 18 - number of accounts delinquent
- 13 - length of time (or unknown time) since account delinquent
- 2 - delinquency reported on accounts



Note: The credit score is followed by four score codes indicating how the member can improve their score. The first code listed carries the most weight and has the biggest impact on the credit score. It is important to understand the meaningfulness of the score codes to determine the direction of the score.





What is a Loss Leader



- Loss leader definition: A business strategy in which a business offers a product or service at a price that is not as profitable for the sake of offering another product/service at a greater profit or to attract new customers. This is a common practice when a business first enters a market; a **loss leader introduces new customers to a service or product** in the hope of building a customer base and securing future recurring revenue.

Which of our members/loan products fall into this category?

- Earning less than 2% on loans may not generate enough income to cover internal processing costs, 3rd party, etc.
- This is where cross-selling higher yielding products and services is critical in order to increase the profitability of that relationship!





Loss Leader Loan Example



What other loans can we sell to save the member money and generate more income for the credit union?

Name	Tim			Balance	Available
Age	49		Regular Share	\$1,350	\$1,350
Member Since	1995		Checking	\$490	\$490
			X-mas club	\$136	\$136
			3 accounts	\$1,976	\$1,976
Employer	City Airport				
Income	\$92,000				
Start time	UNK				

Application Facts:

- Member since 1995
- Stable job
- Uses credit union as PFI (Do you want fries with that member)

FILE SSN ISSUED: 1981 - 1982; STATE: CO;
(EST. AGE OBTAINED: 14 TO 16)***

MODEL PROFILE
***FICO CLASSIC 08 SCORE +735 : 018, 010, 003, 012 ***

CREDIT SUMMARY *** TOTAL FILE HIST
PR=0 COL=0 NEG=1 HSTNEG=1-4 TRD=18 RVL=10 INST=5 MTG=3 OPN=0
HIGH CRED CRED LIM BALANCE PAST DUE MNTHLY PAY AVAIL
REVOLVING: \$28.2K \$45.1K \$20.0K \$0 \$574 55%
INSTALLMENT: \$25.2K \$ \$17.4K \$0 \$411
MORTGAGE: \$79.1K \$ \$76.6K \$0 \$870
TOTALS: \$132K \$45.1K \$114K \$0 \$1855

TRADES
SUBNAME SUBCODE OPENED HIGHCRED TERMS MAXDELQ PAYPAT 1-12 MOP
ACCOUNT# VERIFIED CREDLIM PASTDUE AMT-MOP PAYPAT 13-24
ECON COLLATRL/LOANTYPE CLSD/PD BALANCE REMARKS MO 30/60/90
Other FCU Q 7/08 \$13.8K 54M292 111111221121 I02
4/12A \$0 111111211111
C AUTOMOBILE 4/12C \$0 CLOSED 45 4/ 0/ 0
SYNCB/LOW L 5/08 \$2141 MIN25 111111111111 R01
7/15A \$4100 \$0 111111111111
I CHARGE ACCOUNT \$1880 48 0/ 0/ 0
BBY/CBNA H 8/11 \$2395 111111111111 R01
7/15A \$3600 \$0 1111111111
I CHARGE ACCOUNT 1/15P \$0 21 0/ 0/ 0
KAY JEWELERS J 6/07 \$3335 MIN170 111111111111 R01
7/15A \$7650 \$0 111111111111
I CHARGE ACCOUNT \$488 48 0/ 0/ 0
SYNCB/SAMSDC B 8/05 \$3518 111111111111 R01
7/15A \$9900 \$0 111111111111
I CREDIT CARD 2/15C \$0 CLOSED 48 0/ 0/ 0
CAPITAL ONE B 3/05 \$9853 MIN187 111111111111 R01
7/15A \$10.4K \$0 111111111111
C CREDIT CARD \$8168 48 0/ 0/ 0

Score could be higher or maintained (dangerously close to falling outside of platinum tier) if revolving debt was converted to installment this would open up capacity (Code 10)

Score Preservation:
Score is at risk for dropping if we don't take the time to educate and help.

SYNCE/SLEPBR F	4/09	\$3304		111111111111 R01
	7/15A	\$7500	\$0	111111111111
C CHARGE ACCOUNT	8/14C	\$0	CLOSD BY CRDT GRANTOR 48	0/ 0/ 0
WFHM B	5/13	\$62.1K	360M638	111111111111 M01
	7/15A	\$0		111111111111
C FHA REAL ESTATE M		\$60.1K		22 0/ 0/ 0
DISCOVERBANK B	2/06	\$10.4K	MIN192	111111111111 R01
	7/15A	\$19.4K	\$0	111111111111
A CREDIT CARD		\$9554		48 0/ 0/ 0
FCU Q	7/13	\$25.2K	72M411	111111111111 I01
	6/15A	\$0		11111111XX11
I AUTOMOBILE		\$17.4K		23 0/ 0/ 0
FCU Q	9/04	\$16.9K	204M232	111111111111 M01
	6/15A	\$0		11111111XX11
C REAL ESTATE-JUNIO		\$16.5K		48 0/ 0/ 0
DFS/WEBBANK F	4/06	\$2017		R01
	5/15A	\$6000	\$0	
I CHARGE ACCOUNT	5/15C	\$0	INACTIVE ACCOUNT	48 0/ 0/ 0
CAP1/BSTBY D	8/11	\$2395		111111111111 R01
	9/13A	\$3600	\$0	111111111111
I CHARGE ACCOUNT	9/13C	\$0	PURCH BY OTHER LENDER 25	0/ 0/ 0
WFHM B	5/99	\$79.8K	360M870	111111111111 M01
	5/13A	\$0		111X11111111
C FHA REAL ESTATE M	5/13C	\$0	CLOSED	48 0/ 0/ 0
FCU Q	10/01	\$15.2K	120M226	111111111111 I01
	11/11A	\$0		111111111111
C RECREATIONAL MERC	11/11C	\$0	CLOSED	48 0/ 0/ 0
FCU Q	7/06	\$26.4K	72M489	111111111111 I01
	11/11A	\$0		111111111111
C AUTOMOBILE	11/11C	\$0	CLOSED	48 0/ 0/ 0
FCU Q	9/04	\$19.7K	60M368	111111111111 I01
	3/09A	\$0		111111111111
I AUTOMOBILE	3/09C	\$0	CLOSED	48 0/ 0/ 0
SYNCE/SAMS D	2/02	\$952		111111111111 R01
	1/06A	\$1000	\$0	111111111111
I CHARGE ACCOUNT	1/06C	\$0	CLOSED DUE TO TRNSFR 40	0/ 0/ 0

IN Q U I R I E S

DATE	SUBCODE	SUBNAME	DATE	SUBCODE	SUBNAME
7/31/15			FCU : 7/21/14		FCU




Loss Leader at Work



TRUTH IN LENDING DISCLOSURE 'e' means an estimate				
ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments	Total Sale Price
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.	The total cost of your purchase on credit is
3.909%	\$3,148.25	\$25,212.20	\$29,608.37	which includes your downpayment of
Your Payment Schedule Will Be:				
Number of Payments	Amount of Payments	When Payments Are Due		
71	\$411.23	Monthly	beginning 8-28-2013	
		to		
1	\$411.04		7-28-2019	
Property Insurance: You may obtain property insurance from anyone you want that is acceptable to the credit union. If you get the insurance from us, you will pay				
Prepayment: If you pay off early you will not have to pay a penalty.				
Required Deposit: The Annual Percentage Rate does not take into account your required deposit, if any.				
<input type="checkbox"/> Assumption: Someone buying your mobile home cannot assume the remainder of the loan on the original terms.				
Demand: <input type="checkbox"/> This obligation has a demand feature.				
<input type="checkbox"/> All disclosures are based on an assumption.				

Facts:

- Credit union only earns \$3,150 over 72 months for the requested car loan
- Cross-sell loan (\$20,000 debt consolidation loan) credit union earns \$5,500 for \$5,000 less and 12 months shorter term
- This is an additional **\$1,500** without taking into the account the shorter term and dollar amount.
- This is also a **"2 for 1"** as we already conducted the interview and tied up your resources for the original loan. 





Pairs great with... Ancillary Products



- Cross-selling our back-end insurance products is just as important for our members and creates a wonderful revenue source for the credit union.
 - Successful sales approach is asking *"What payment are you comfortable with?"*
- Gap and MBI
 - Everyone at the credit union should know and/or have displayed the largest claims paid out the past quarter
 - 90% of policies sold are used when the car is kept the entire term
 - Cheaper than the auto dealers
 - Cars are generally underwater for 80% of the term. If your members get in an accident and the auto is a total loss, they are at risk for thousands of dollars. Newer technology means costlier repairs – our cars are becoming "mini computers" with all of the technological "bells and whistles."



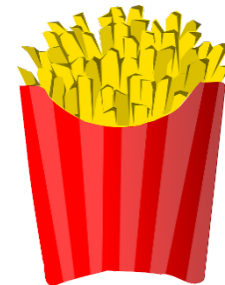


Ancillary Products



Continued

- Payment Protection Plan (credit life and disability)
- Credit Card
 - Know your reward programs and how they work
 - Know how you stack up against your competition
 - Know how properly using a credit card can boost the credit score
- Checking
 - Studies show consumers consider their PFI to be where they have their checking account
 - Be careful selling a checking account when it will not be used. Gaining direct deposit or setting up payroll will lessen your risk of cross-selling a future dormant account



We want to sell products that members have to think about us foremost in their financial life.





Getting Everyone Involved



Sales is a TEAM effort and will have the most success when the entire credit union is on board. Everyone should be knowledgeable and be able to explain the features and benefits to the members.

- Frontline/Tellers
 - Look at the member profile to see what the member has with credit union
 - Consider a short form referral application at the teller window
- Call Center
 - Convert incoming calls into an opportunity to discuss the credit union's products and services





How to Seize Every Opportunity



Your goal:

- Turn every incoming call or transaction into a profit for the credit union.
- Selling a new deposit account to the member can do this or offering the member loan products and having the member complete a loan application.
- Perfect time to offer one of the many great products the credit union has to offer.
 - This member may only call once a year and this may be your only chance you have to start building a stronger relationship between the member and the credit union.



How to Seize Every Opportunity



Continued

Once you have the member's account number you are able to view what products the member has used or is using currently with the credit union. At this time you should cross-sell a product that the member does not currently have at the credit union. When viewing this information you should learn to ask yourself the following questions:

1. What accounts does he/she have with the credit union?
2. Do they only have a savings account or many accounts?
3. How much money is in his/her accounts?
4. Are we their primary financial institution?
 - How can you spot this?
 - Does the member have the minimum in their savings account?
 - Based on the member's appearance and age, does the deposit balances make sense?
 - Does the member have a checking account with the credit union?
 - Does the member have any loans with the credit union?





How to Seize Every Opportunity

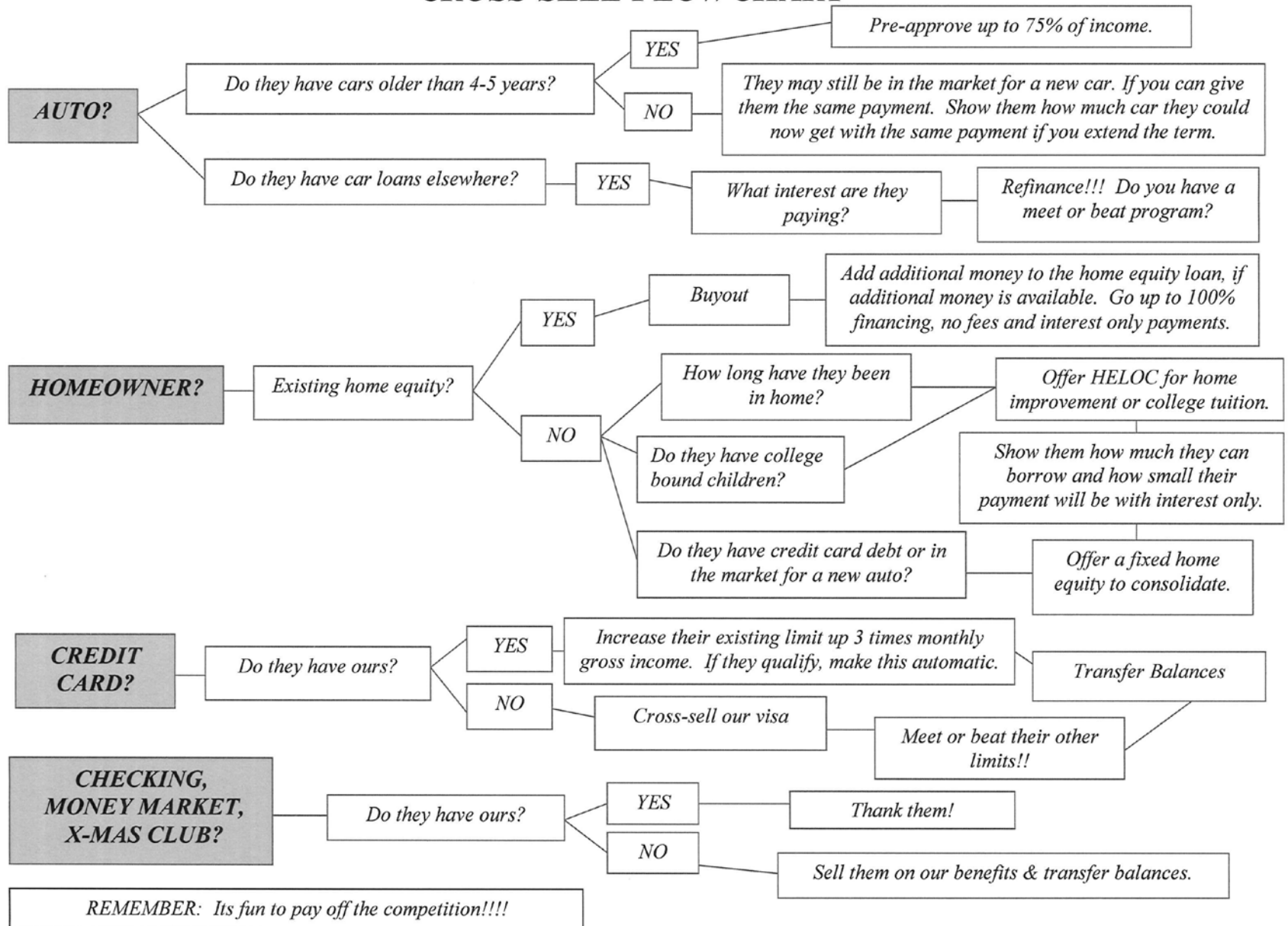


Continued

5. Is the member a good saver?
6. Can we offer the member a money market? Or CD?
7. Can we offer the member a Christmas Club account to help with next years Christmas expenses?
8. Has the member ever taken out a loan with us?
9. What types of loans does the member have currently?
10. Does the member have an auto loan with the credit union and when is it paid off?
 - Remember, most people don't want to drive cars over three years old
 - Remember, most people have a car financed somewhere
11. Does the member have our credit card?
12. Is the member a homeowner?



CROSS-SELL FLOWCHART





Closing the Deal



- The final step of a successful sales person is knowing how to close the deal on the first contact
- Create a sense of urgency
- We have to go beyond “planting the seed” and create value
 - Know your member – take notes
 - Suspense files are graveyards if no attention is given
 - Follow-up must be timely and effective if you are not able to close the deal in-house





TRIUMPH
is just a little
“**UMPH**”
added to
TRY

Thanks for Joining Us Today

