

## Excellence in Lending Award Winners 2015

### Consumer Lending Excellence Award - Assets under \$250M

#### Winner: The Partnership Federal Credit Union



- Launched a “Lending Revolution” in early 2014 to redeploy staffing and enhance technology to boost loan acquisition, retention, and yield out of post-recession doldrums
- Relied on data analytics to identify opportunities to improve the member experience
- Developed a variety of new products and services, including:
  - ZipLINE Credit Builder, an open-ended loan to help credit-challenged members break out of their reliance on payday lenders
  - AutoRefi, a self-service tool members can use to reduce monthly auto loan payments by extending loan terms
  - eValuator, an interactive calculator to guide conversations on how much money the credit union can save members by refinancing loans with other lenders
- Results: 6.24% loan growth in 2014, the highest performance since the economic downturn; annualized loan growth for 2015 topping 12%

The Partnership Federal Credit Union, Arlington, Virginia (\$144 million, [www.ThePartnershipFCU.com](http://www.ThePartnershipFCU.com)), took a holistic approach to jump-start lending in the wake of the Great Recession, conducting job shadowing and interviews to gain insights from staff, diving deep into the data warehouse, examining processes and procedures, and seeking out best practices for ideas to adapt and innovate. Sweeping changes included conversion to e-capture of loan documents, enhanced loan processing and reporting software, streamlined and optimized systems, and extensive staff training and coaching.

In addition to a host of new loan products and member service tools, The Partnership introduced its Value in Partnership program to reward members for expanding their credit union relationship. Marketing became an in-house function to more closely integrate with all business units. The credit union also renewed its focus on offering protection products in partnership with CUNA Mutual Group; with advanced product training and competitive incentives, sales rose to one in three loans.

To enhance risk management, The Partnership signed on with business partners to track real estate property taxes and vehicle collateral insurance to enhance asset quality. The credit union launched a new website, introduced omni-channel marketing, and shifted from direct mail to e-marketing with open rates in the 16-20% range and click-throughs of 3.5%. It developed a series of email follow-ups with members approved for auto loans but not yet closed, which increased the funding rate and also produced market intelligence that has allowed the credit union to continue to hone its lending processes, products, and policies. In sum, as one judge noted, The Partnership “used innovation and efficiencies to cover the lending needs of their entire membership, and their loan-to-share ratio showed very strong gains. They have the results to prove it.”

**Consumer Lending Excellence Award - Assets \$250M or greater**  
**Winner: Ent Federal Credit Union**



- Developed a new home equity line of credit that increased its portfolio from \$94.6 million to \$125.5 million, a 33% jump
- Fended off 1.99% auto loan rates from its nearest competitors by matching that rate in a “coupon special” offered via indirect channels with dealers that accepted lower fees; loan volume increased 60%, dealer fees as a percentage of volume decreased, and overall yield declined by less than 5 basis points
- Rewarded 20,000 members with personal credit lines with increased limits and lower rates as their credit scores improved
- Mined ACH data to identify members with improving credit scores making payments to subprime auto lenders and generated \$2 million in new loans with refinancing offers
- Attributed lending successes in 2014 and 2015 with earlier strategic planning involving input down to the managers’ level
- Results: Top lender in its home county for both auto loans (nearing 25% market share) and home equity loans (nearing 40% share)

Ent Federal Credit Union, Colorado Springs (\$4 billion, [www.ent.com](http://www.ent.com)), has made a concerted effort based on the results of intensive strategic analysis and planning to improve lending across the spectrum. For members with A and B tier credit, Ent extends low-rate preapproval offers via online channels, available 365 days a year. For members aiming to build or rebuild their credit standing, Ent offers overdraft lines of credit on checking accounts for college students and developed a credit builder loan product. Also in development is a private student loan refinance program and a new small loan option, tentatively called “Life Happens,” to offer an alternative to high-rate, high-fee lenders.

Ent’s commitment to member service is reflected in its implementation of digital signatures for remote closings and assignment of dedicated loan closers/processors at its busy branches for members who still need or want to close loans in person. Through careful risk management, the credit union has identified opportunities to increase consumer loan approval with existing members while updating income requirements with the aim of reducing losses. Excellence in Lending judges lauded Ent for its well-thought-out strategy, noting that “the credit union brought the team in for collaboration and focused on remote technology, expanding risk, and product development.” The return on that collaborative planning and implementation was growth of more than 40% in indirect auto loans for 2014 (in fact, Ent set an internal record of funding \$1 million or more per business day in indirect loans for an entire year, as of July), 38% in direct auto loans, and 18.5% in unsecured/personal loans.

**Mortgage Lending Excellence Award - \$250M or greater**  
**Winner: Y-12 Federal Credit Union**



- With the aim of increasing mortgage volume and diversity, conducted extensive analysis in 2014 showing that only half of applications were approved, even with credit scores averaging 720
- Streamlined its application process to make it more member-friendly, resulting in a 3% decrease in cancellations
- Shifted the focus of underwriting from “reasons we would not make a loan” to “wanting to say yes to our members,” which increased the approval rate from 51% to 73%
- Revamped the 97% and 100% mortgage options, targeted to all buyers, not just first time homebuyers
- Results: Mortgage loan portfolio growth from \$244 million in December 2014 to \$273 million in June 2015, with an increase in average rate from 3.75% to 4.13%

Y-12 Federal Credit Union, Oak Ridge, Tennessee (\$750 million, [www.y12fcu.org](http://www.y12fcu.org)), discovered in an extensive review of its mortgage processes, with input from members, staff, and the real estate community, the need to upgrade its image as a can-do home lender. The credit union revised and streamlined its application process, developed new loan options, changed its approach for setting rates to be more competitive, and increased the marketing budget so loan officers could spend more time in the community building Y-12's brand as a mortgage lender.

As a result of this new vision, Y-12 grew its mortgage portfolio by more than \$28 million in the first six months of 2015 and expanded its monthly average of loans in the pipeline from 37 to 81. The credit union continues to build its brand as a “go-to lender” for home loans in its market area. As one judge noted, Y-12 “used tools in the credit union to creatively build brand and loyalty and drive business.”

**Low/Modest Means Award - Assets under \$250M**

**Winner: Georgia Heritage Federal Credit Union**



- Partnered with two community groups, Step Up Savannah and CCCS, to implement the “Life Line Program” to offer small-dollar loans (\$300-\$1,500) and financial education in concert with employees of local employers
- Developed a lower-cost alternative to title pawn lending to help members save money, rebuild their credit standing, and establish a savings account for future use
- Results: Developed working relationships with employers in their community. Since launching the Life Line Program in May 2015, GHFCU has grown membership and made life affordable for 139 new members and approved loans totaling \$185,000
- Since 2014, GHFCU grew their loan portfolio by \$8 million dollars (15.4%) and are on pace to exceed that in 2015. Through September 2015 loan growth is \$7 million dollars (11.8%). GHFCU seeks innovative ways to help make life affordable for the people of the communities that they serve

Georgia Heritage Federal Credit Union, Savannah (\$83 million, [www.gaheritagefcu.org](http://www.gaheritagefcu.org)), recognizes that financial hardship doesn't just affect people individually, but their employers and communities as well. Business research indicates that when workers are financially stressed, turnover and absenteeism increase, and productivity plummets. Working with Step Up Savannah and CCCS on a pilot program developed by the Filene Institute, Georgia Heritage sought out businesses interested in helping their employees relieve financial stress by having access to small dollar loans at affordable interest rates.

This successful program offers a low-cost alternative to title pawn and other predatory lenders and allows members to rebuild their credit standing. And it has brought in new members and positioned the credit union as a strong partner in the Savannah community. As an Excellence in Lending judge noted, “GHFCU developed a product that was sorely needed within its community that grew membership and loans while managing the associated risks. Loans increased, deposits increased, loan-to-share increased, membership increased, and delinquencies decreased — everything you want, including helping your members and your community!”

**Low/Modest Means Award - Assets \$250M or greater**  
**Winner: GTE Financial Credit Union**



- Designed products and services to serve the second most financially stressed metropolitan area in the nation, Tampa-St. Petersburg-Clearwater
- Provided auto loans to lower-income members who need reliable transportation to their jobs through its own First-time Auto Loan Program and in partnership with a local nonprofit called Wheels of Success
- Developed business loans to support small business start-ups and expand job opportunities for the community
- Launched a mobile app called Future Change to round up change on debit transactions and apply to pay down principal on auto loans or mortgages
- Offered financial education through group workshops (more than 1,250 attendees in 2014, including 25 a month in the Budgeting Advice and Assistance class), individual assistance, and online courses and calculators (Building Credit online education tool was accessed 13,461 times)

GTE Financial Credit Union, Tampa, Florida (\$1.6 billion, [www.gtefinancial.org](http://www.gtefinancial.org)), is committed to promote community development through the building of assets and achievement of financial empowerment. The credit union obtained Low-Income Designation and Community Development Financial Institution certification in 2013 and has received two \$1 million-plus grants to provide capital for lending programs to expand auto, home, and business ownership. Its five-year goal is to parlay those CDFI awards to sustain a 50:1 impact by providing more than \$330 million in loans to more than 40,000 individuals, \$125 million in small business loans, and their first credit cards to 25,000 members.

GTE Financial employs two community development officers and a community financial educator and partners with a wide range of community groups ranging from United Way to the Bank on Tampa Bay initiative. In addition to its wide range of financial education programs for adults, the credit union also sponsors the Smart Savers Club and a curriculum for K-12 students and hosts Student-Powered Community Financial Centers at two local colleges. In the words of one Excellence in Lending judge, "GTE Financial has developed a very specific and detailed plan to meet the needs of its financially distressed community."

**Business Lending Award – Assets \$250M or greater**  
**Winner: Boeing Employees Credit Union (BECU)**



- Developed a three-phase plan for purposeful growth of business lending
- Harnessed the expertise and ownership of multiple departments to optimize delivery of business services
- Implemented an engagement strategy to connect with existing business members, based in its retail network and led by small business specialists charged with educating and coaching frontline personnel
- Built on that foundation with an “Attract and Acquire” investment which included the hiring of business relationship managers with outbound responsibility
- Results: BECU’s business loan balances grew from \$88 million to \$186 million in 2014; as of August 31, 2015, its portfolio had grown to \$311 million

Boeing Employees Credit Union, Tukwila, Washington (\$13 billion, [www.becu.org](http://www.becu.org)), introduced business services in 2004 but later scaled back those services in recognition of the need to enhance internal controls and procedures. The credit union relaunched its business product line in 2012 with an ambitious plan developed in concert with Risk Management, Staff Training, the branch network, Marketing and Product Management. Its three-phase approach began with connecting with existing business members, first to offer deposit services and then loans; second, to form a business loan participation program; and finally, to attract and acquire new members and their business loans.

Small business specialists work with staff in BECU’s retail network of neighborhood financial centers to engage with small business owners. Building on the initial successes from that approach, the credit union launched a marketing campaign in 2014 to raise awareness about its business services. Additional staff were trained and assigned to focus on different lending areas, from smaller, unsecured credit requests to commercial real estate. In the third phase of expanding business services, the credit union hired a team of relationship managers to work with larger businesses with more complex banking and borrowing needs. With that measured, strategic approach to business lending, BECU has grown its commercial portfolio by 255% since 2013.

As one Excellence in Lending judge noted, BECU “had a good strategic plan, carried it out, and had very favorable results.” Another judge “very much appreciated the comprehensive approach to meeting member businesses where they are with the services they need and the development of tiers of service to support different types of businesses.”