



## Background on 5Point Credit Union

5Point was founded in 1935 and is now one of the largest independent, not-for-profit financial institutions in Southeast Texas, committed to providing financial opportunities to the hardworking families in its area.

## Reasons for Choosing AI-Driven Lending With Zest

5Point wanted to say yes to more vehicle applications without adding risk and make faster decisions in its direct channel but, especially with indirect using more automated underwriting. Zest was able to get 5Point's model implemented in one month.

## Target products & market

AUTO LOANS

**Region:** Southeast Texas

## Key Team Members

- CHRISTIE DOWNS, VP LENDING
- JENNIFER WEBB, SVP LENDING
- ERIK SHAW, CEO

## LOS Provider

- KEYSTONE 

TOTAL ASSETS

\$810M

AUTO LOAN VOLUME (\$)

\$205M

MEMBERS

48,610

BRANCHES

10

## Objectives

To grow its loan book and serve more members, 5Point knew it needed to get competitive with the bigger banks and online lenders crowding into its auto lending market. 5Point's underwriting team is fast but wanted to get even faster at saying yes to more indirect loans sent through its dealer network.

## Challenge

5Point wanted to expand its auto loan portfolio rapidly without adding risk. Its lending executives knew that AI could improve approval rates but was concerned about adequate risk documentation and compliance with fair lending regulations. It wanted to automate more of its manual underwriting process while ensuring that model decisions were sound and reliable.

## Results

5Point used Zest software to build an AI-driven credit model with 10x more variables than before, producing a more accurate picture of borrowers' delinquency risk. The Zest model swaps in more good applicants than the ones it swaps out, producing a bump in yield with no adding risk. The model is also more inclusive, reducing disparity in approval rates between gender and ethnicities. Last but not least, it integrated smoothly with 5Point's LOS.

ORIGINATIONS GAIN

7%

ANNUAL PROFIT GAIN

\$1.5M

FEATURES IN ZEST MODEL

185

MONTHS TO DEPLOY

1