



Background on Coastal Credit Union

Coastal was founded in 1967 and is now one of the largest and fastest-growing financial institutions in North Carolina, committed to providing financial opportunities to the hardworking families in its area.

Reasons for Choosing AI-Driven Lending With Zest

Coastal set out a five-year strategic plan to reinvent the future of its lending with speed, efficiency and more approvals. That will require the ability to find good borrowers further down the credit spectrum without adding risk or impacting member experience. Zest software checked all the boxes.

Target products & market

AUTO LOANS

Region: Central North Carolina

Key Team Members

- DAVID JACOBS, VP OF CREDIT RISK
- CHUCK PURVIS, CEO

LOS Provider



TOTAL ASSETS	AUTO LOAN VOLUME (apps/yr)	MEMBERS	BRANCHES
\$3.4B	120,000	270,000	22

Objectives

Coastal’s key goals were to expand its credit box safely to include more borrowers further down the credit spectrum. It also sought to drive higher levels of automation and deliver faster approvals, especially in indirect and digital channels. With more approvals and faster decisions, Coastal aimed to deliver a better member experience.

Challenge

Achieving its growth objectives was going to be difficult with a reliance on FICO scores and the rules engine built into MeridianLink Consumer. Both are somewhat effective for Tier A paper, but they’re blunt instruments on apps below that. By using more data and better math with Zest-built machine learning models, Coastal was able to dramatically increase the accuracy of its risk predictions down to D paper.

Results

Coastal used Zest software to build an AI-driven credit model with 10x more variables than it had before, producing a far more accurate picture of the goods and bads among its applicant pool. And, by training the new model on data from borrowers it had not seen before, Coastal’s model is better at predicting lower-credit applicants than the ones it was used to seeing. And with more accuracy comes the confidence to boost its automated decisions.

APPROVAL RATE INCREASE	ANNUAL INCREASE (ORIGINATIONS)
26%	\$150M
AUTO-DECISIONING LIFT	ADDITIONAL PROFIT/YEAR
90%	\$12M