

## HOW ONE INSTITUTION BUCKED THE TREND OF SHRINKING LOAN GROWTH

With a sudden influx of deposits and negative year-over-year consumer loan growth, Southeastern Credit Union needed to increase loan volume, and they needed to do it in a way that helped offset shrinking interest margins. After a meeting with their Kasasa consultant, they realized the need to maximize the value of their Kasasa Loan® program and leverage the research finding that 98% of consumers would refinance existing debt if offered a Kasasa Loan.<sup>1</sup>

Southeastern's executive team was fully committed to making the Kasasa Loan their primary loan offering. The team knew this was the right move for their borrowers and understood that any costs incurred would, at the very least, be offset by the marginal profitability the Kasasa Loan provided via reduced delinquency, e-statement adoption, and reduced charge-offs.

**“It was as simple as asking every borrower, ‘Do you have any other debt that you wish worked like your Kasasa Loan?’”**

### Uncovering new growth

Every loan officer doubled down on the Kasasa Loan as their flagship loan and started talking about the features as an enhancement to a regular loan. Kasasa's Retail Experience Development (RED) team created in-branch promotional materials to spark lending conversations and a talk track for lending officers. It was as simple as asking every borrower, “Do you have any other debt that you wish worked like your Kasasa Loan?”

### Results from July to September 2020

This combination of features and customer service gave borrowers a reason to listen, and the approach generated a significant lift in originated loan balances. At the same time the loan-to-borrower ratio increased, as did the average loan balance — all without having to increase their marketing investment. This level of performance allowed Southeastern to have a positive yield growth year-over-year while combating a decreasing rate environment.

- 38% increase in total loan balances originated compared to Q3 2019 due to:
  - 24% more loans per borrower
  - 10% higher average balance per loan
- Borrowers were on average 4 years younger
- 100 Net Promoter Score (NPS) - likelihood to recommend to a friend

<sup>1</sup> Based on 2017 Kasasa Consumer Study.

### An opportunity hidden in plain sight

While the nation was experiencing an overall decrease in loan demand and sudden influx of deposits, Southeastern was able to increase loan volume and originated balances (Figure 1). Taking what would have been a losing year and turning it into a win by maximizing their borrower debt wallet-share.

### Beating the trend for loan growth

Compared to loan data from the rest of our Kasasa client base for Q3 2020, Southeastern bucked the trend (Figure 2). This outcome confirmed that the spike in loan performance was not simply a market anomaly but the direct result of a strategic shift echoed by all institutions offering Kasasa Loans® that have made the commitment to open every new loan as a Kasasa Loan.

Southeastern loan growth comparison 2020 vs. 2019

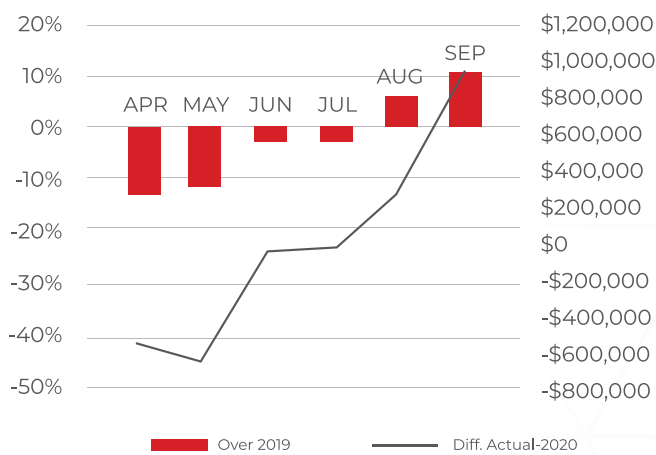


FIGURE 1

Year-over-year change in lending balances

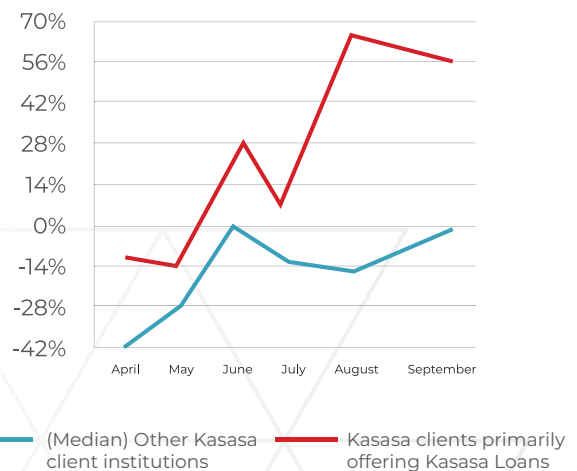


FIGURE 2

### Word of mouth multiplies your effort.

A real Kasasa Loan borrower's story:

- 1** Borrower opened a Kasasa Loan and the loan officer helped him understand the dashboard and Take-Back® features.
- 2** He loved the loan features so much he came back and opened a second loan.
- 3** After telling his wife, she decided to refinance her car into a Kasasa Loan.
- 4** She later told a friend, who also opened a Kasasa Loan for her new car.

**Grow your loan portfolio with an experience borrowers love.**

Contact us for a demo. | [Kasasa.com/loans](https://Kasasa.com/loans)