

## Stellar Solutions.

## Stellar Results.

### **Turbo-Charge Direct Lending**

- ✓ Boost Direct Auto Loan Volume
- ✓ Grow Your Membership Base
- ✓ **No Up-Front Marketing Costs!**

*Stellar Auto Loans* offers a turn-key program that maximizes direct loan growth and new household relationships (PFIs) while eliminating all the risk of marketing costs for our credit union partners.

## FAQs Stellar Auto Loan Recapture Program

**Q.** *What changes do we need to make to our lending practices with the Stellar Auto Loan Recapture Program?*

**A.** Your institution does not need to change any of your current practices. We use your current credit tier rates for auto loan amounts, remaining terms, credit score tiers, and suppress those leads that do not meet your customary derogatories & stipulations via our proprietary credit bureau data analytics. Applications are still processed through your normal channels to approve or deny the loan.

**Q.** *How do you choose which prospects to target?*

**A.** Stellar Auto Loans' unique recapture program uses data mining of credit bureau consumer information. We find households that are paying a substantially higher interest rate on their auto loan than what your credit union would charge for the same credit score, remaining balance, remaining term, and meet your credit criteria.

The key to success for the Stellar program is the data manipulation used to determine which prospects to target, as well as being able to have a unique example of the potential monthly, yearly, and lifetime payment savings from consumer to consumer if they were to refinance with your institution.



**Q.** *Are these applications shared with other credit unions?*

**A.** Applications are **NOT** shared with any other credit unions.

**Q.** *What is your normal look-to-book rate on Stellar applications?*

**A.** Our clients are averaging a 50% look-to-book rate on the prescreened applications. Our star performers have over a 70% look-to-book rate.

**Q.** *How does this affect our indirect auto loan business?*

**A.** The Stellar Auto Loan Recapture Program targets the potential members that your indirect loan channel missed. In addition, you keep all the non-interest income associated with this new direct loan, unlike an indirect loan.

**Q.** *What types of applicants are generated for your credit union clients?*

**A.** 95% of the applications are non-members that reside in our clients' field of members and can become a members of the credit union. These new members become profitable members, and typically add additional products and services with their new direct relationship with the credit union.

**Q.** *We have tried other recapture programs and have had little success. What makes your program more effective?*

**A.** Stellar uses a "7 Touch" process to communicate with prospective members that reside in the credit union's field of membership.

1. Multiple mailings
2. Outbound and inbound call center
3. Online web application portal designed with the credit union's marketing appearance
4. Reminder messaging
5. Application process support
6. Proprietary credit bureau selection model mirroring the financial institutions credit criteria
7. Stipulations helps insure not only a good response rate of applications, but a high "look-to-book" rate

**Q.** *How much does this cost our credit union? Is there a long-term commitment?*

**A.** Stellar Auto Loan's approach is in line with our clients' results. Their success is our success, literally. We charge a contingency (success fee) for loans funded that are directly match to the Stellar prospects targeted. Our agreements allow for the institution to terminate the program at any time, with a 30-day notice.