



**Southwest Lending  
& Collections Conference**

# How to Significantly Increase Direct Auto Loan Production

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## Step 1: It Begins with Your People

What type of employees do you currently have taking applications?

# What are we asking our people to be “experts” at?

## Duties:

- New Accts
  - IRA, Deposit Accts, Business Accts
- Member Service Questions
- Sales
- Management of Multiple Channels
- Application Quality
- Lien Perfection
- Title/Lien Exceptions
- Knowledge of Systems

## Attributes:

- Friendly
- Accurate
- Detail Oriented
- Knowledgeable
- Hardworking
- Dependable
- Fast
- Oral and Written Skills
- Technical Skills
- Sales Ability

# Qualities of a GREAT Sales Rep

- Gregarious Personality
- Loves Incentives
- Likes People
- Fearless
- Competitive
- Confident
- Energetic, Persuasive, and Persistent
- Non-Conformist



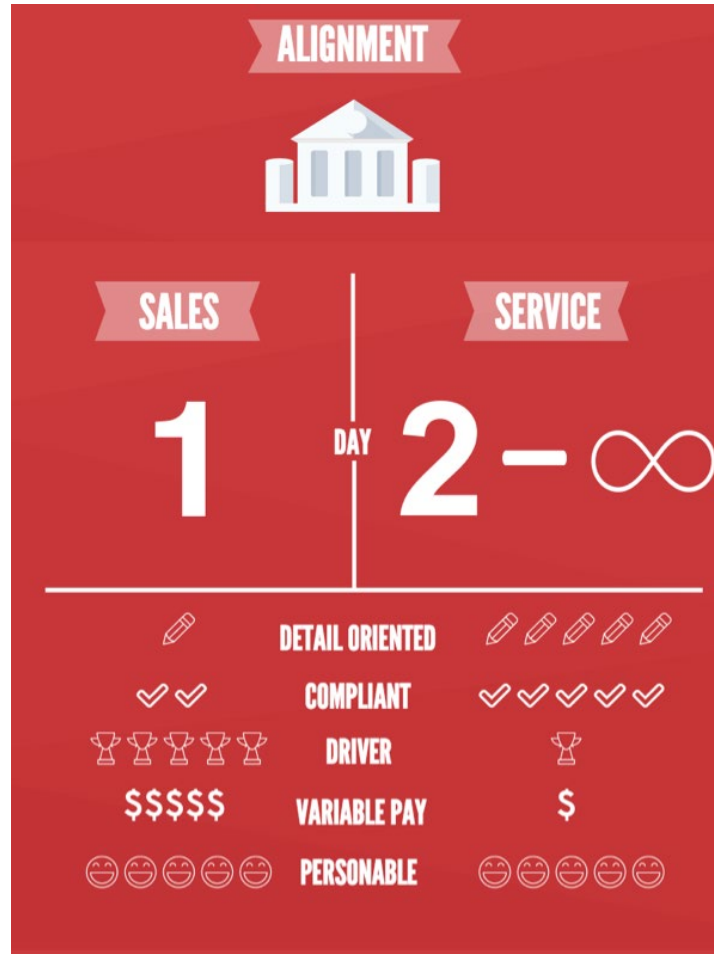
## Step 2: Motivate Your Sales Team

- Think Dollars and Cents
  - Base pay that keeps them fed but hungry
- Motivated Sales People will:
  - Know their pipeline
  - Proactively follow-up
  - Consistently seek out cross-sell opportunities
  - Rescue loans back from the competition
  - Willing to make outbound calls



# Step 3: Separate Sales and Service

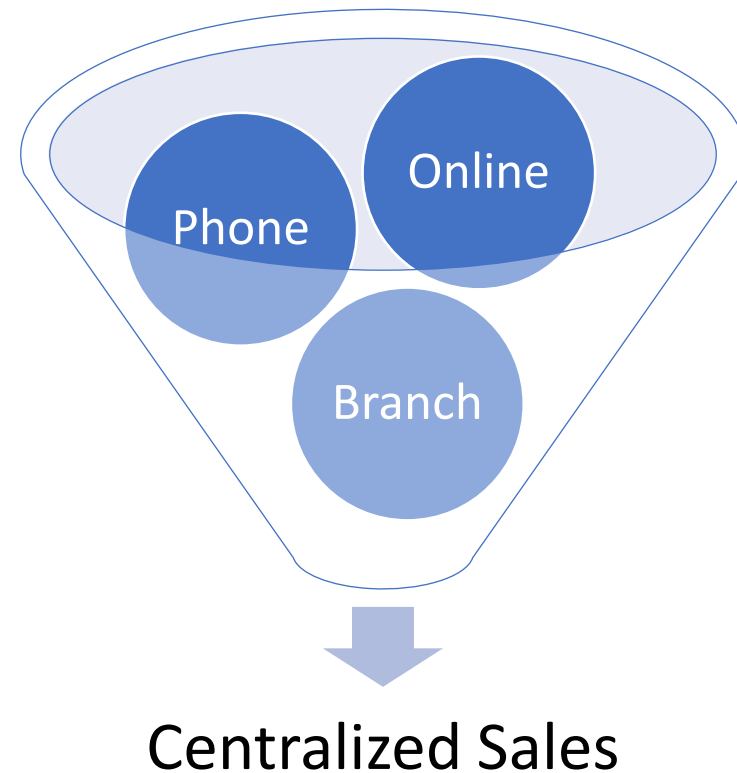
Revenue



Cost

## Step 4: Direct ALL Loan Applications to Sales

- Is your lending operations FULLY centralized?
- Understand your PRIMARY channels for loan requests
  - 75% on credit union applications were initiated online and over the phone PRIOR to 2020!
- Are your BEST sales people taking all your applications?



# Step 5: Approve DIRECT Auto Loans in All Credit Tiers

How?

- Appropriate Risk-Based Rates in Place
- Quality, Risk-Based Applications
- Appropriate Collateral for the Borrower
- Payment-to-Income (PTI)
- Aggressive but Smart Underwriters
- Wheels-to-Work





## Step 6: Make Some Calls

- The days of waiting for the phone to ring are over
- The competition is growing
- Is Outbound Calling a part of your loan growth strategy?
- Outbound Tips:
  - Leverage Pre-Approvals
  - Process **MUST** be frictionless
    - You are asking for the business
  - Train your reps
- Play the **PAYMENT** game



## Step 7: Who Owns Loan Growth at Your CU?

- Structure your Organization for Success
- Does the leader in charge of driving loan growth own ALL areas of lending?
  - Operations vs Lending
- Removing Barriers



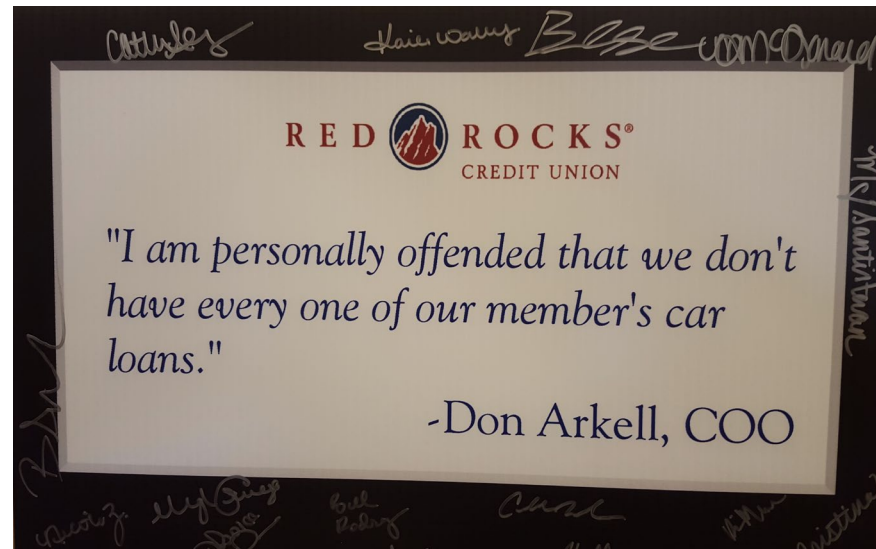
## Step 8: Good Cop/Bad Cop

- In centralized lending:
  - The Sales Team is working for the member
  - The Underwriters are working for the CU



## Step 9: Getting the Word Out

- Are you personally offended you don't have all your members auto loans?
- Get with the times
  - Social Media, Email, Online
- Use the data you ALREADY have
- Learn to Advertise Payment Savings not just RATE, RATE, RATE



## Step 10: Payment Matters

- Auto Lending is a Payment Game
- “What is your desired monthly payment?”
- Payment-to-Income (PTI)
- Trading payment for payment
- Payment Shock is Real



# Step 11: Rate Matching

- Be prepared to match or beat your competitors

*“Due to the highly competitive nature of consumer-secured lending (cars, boats, RVs, and motorcycles), we are authorized to match or beat a competitor’s loan rate offer to gain a member’s loan business.*

*When doing so, we will note the name of the competitor and the rate that we are matching in the notes screen of the loan application software and we will not go below our stated floor rate.*

*The centralized underwriter can match or beat rates in all credit tiers up to 1.0% and the VP of Lending/Sales and CEO will authorize matching a rate greater than 1.0%.”*

## Step 12: Get Service Talking

- Everyday your service contact center is talking to more of your members than anyone else at the credit union
  - Don't forget about all those branches you love
  - Are they personally offended they don't have all your members auto loans?
- Allocate \$\$ for a referral incentive program
  - Track and manage to it
- Give these leads top priority
  - HOT Leads



## Step 13: Ancillary Sales

- Every member, every time
  - 100% presentation
- Build incentives to encourage GAP, MBI, and Credit Life sales
- Don't be worried about offending dealers
- Requires selling men and women talking to your members





# Step 14: Get Feet on the Streets



- Establish a business development presence
- Make this a job that demands revenue generation
  - Incentive program vs Community Ambassador
- The number 1 job of your BDO should be getting the phones ringing and bringing in business

# Step 15: Communicate Like it's 2021

- It's 2021 are you texting with your members yet?
- Texting should be a MANDATORY form of communication
  - Lending
  - Collections
- Lead with E-Sign
- Aim for 0% abandon rate on your Sales calls
- Ensure the requirements are commensurate of the risk



## Step 16: Talk with Members

- A Sales Person should follow-up with all online loan applications
  - Before the loan is sent to underwriting
- 10 min SLA on online loan applications received during business hours
- Include rates on auto loans that can be “stolen” in the notes to the underwriter
- Prioritize loans by how likely you are to lose them
  - Think: Auto Purchase



# Step 17: Speed is the Key



- We are selling answers!
- Turn-time matters
  - 10 min follow-up on online apps
  - 1 hour decision time
  - App to Funding = Same day
- For your BEST credit borrower:
  - Speed
  - Convenience
  - Rate

# Step 18: Car Buying Services

- Where can you direct your members if they are shopping?
- Dealers aren't always loyal but auto buying partners are
  - Educate your sales staff
  - Additional incentives paid by the provider
- Keeps loans on the Direct side of the fence



## Step 19: Shop with a Check in Hand

- Don't risk losing out on business
- How many pre-approvals go unfunded at your CU?
  - Why?
- Vehicle Buying  
Check/Sight Draft



## Step 20: Guard your Backdoor

- Who is guarding the backdoor at your CU?
- Where do payoff requests go at your credit union?
- Route these calls to Sales and not Service
- Outbound calling to win loans back



Looking for more  
tips, tools, and  
best-practices?







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# Questions?

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