



**Lending
Solutions
Incorporated**

Experience Quality



CASE STUDY



“As a smaller community credit union with 6,100 members, we wanted a provider who would be a team player that could proactively work with our members to collect debt while maintaining a positive relationship through the process.

Lending Solutions, Inc. met our exact criteria and has helped turn around our collections program.”

*Rob Viland
Chief Executive Officer
Access First FCU*

ACCESS FIRST FEDERAL CREDIT UNION IMPROVES PROCEDURES TO ACHIEVE COLLECTIONS SUCCESS

BUSINESS CHALLENGE

After changing its name and field of membership in 2006, Access First Federal Credit Union, Kalamazoo, Michigan, quickly experienced the exceptional growth they had envisioned. With that rapid growth, however, came unintended consequences: rising charge-offs resulting from hastily pursuing high-priced member loans. As lending activity and delinquencies increased, the credit union's ineffective collections methods and lone collections employee were unsuccessful in managing the situation.

Rob Viland, CEO of Access First, needed a better collections strategy to reduce their delinquency rate and improve overall collections operations.

LSI SOLUTION

Viland called on the proven collections expertise and support of Lending Solutions, Inc. (LSI). “LSI's plan of action included changing the system, replacing our collector and aggressively collecting debt without a bullying mentality,” notes Viland. “Our haphazard and lengthy methods didn't prioritize accounts or make the first collections call until 35 days past a due date, so members didn't take us seriously.” Using LSI's strategies and skilled collections team, Access First now immediately targets high-risk delinquent accounts with larger loan amounts and lower credit scores. “We contact members almost daily, and then LSI steps in on day 30 to arrange work outs or charge-offs,” adds Viland. “Also, LSI has helped us pull in collateral more quickly when members don't communicate with us, which saves us money on recovered assets while they're still in decent shape.”

THE RESULTS

After implementing LSI's collections solution, Access First's delinquency rate dropped from 4.4 percent to 0.56 percent within a year. Plus, the 200 monthly delinquent accounts they normally tackle, is now about 75 or less. Also, the number of accounts it turns over to LSI is down to 20 from 50 to 70 when it first started with LSI. “We are extremely happy with our dramatic turnaround and improved collections practices since working with LSI,” Viland states. “Our late-paying members now expect a friendly reminder call sooner rather than later, and that has made a big difference.”