



Boost automotive collections with a superior customer experience



Strong collections and borrower retention are crucial to the long-term success of any credit product, but with delinquency rates approaching levels last seen in the great recession, traditional tools collections strategies are beginning to fall short. Deep delinquencies and defaults will strain automotive lender's operations and profitability, all while borrowers grow disconnected and continue missing payments.

That's why the best automotive lenders are innovating with new and creative collections strategies, enabled by LoanPro's modern credit platform. Our robust suites for collections, communication, and data management change your interaction with borrowers from a mere transaction into a functional and engaged relationship, all while reducing your own operational costs and risks.

LoanPro can support your collections efforts through these strategies:

- ✔ Prevent delinquency with dynamic repayment
- ✔ Reduce risk of default with account adjustments
- ✔ Build retention with personalized and automated communication
- ✔ Drive overall profitability with data management and reporting



LoanPro gives us everything we need, from reporting to account management, customer collection, customer queues. It's a software that can run your entire business and there's not a function that LoanPro can't handle for you.

Zack Vandenberg, Own.Lease Founder & CEO

Prevent delinquency with dynamic repayment

It's far easier to keep pre-delinquency accounts engaged, communicating, and repaying than it is to try and reclaim accounts that have already slipped 90 or 120 days into delinquency. Sound collections strategies can't begin when a borrower has already missed payments—instead, they should proactively take every effort to keep borrowers on track.

With the modern payment tools in LoanPro, automotive lenders have driven repayment with these proactive strategies:



Enroll borrowers for AutoPays. Automatic payments are a win-win for borrowers and lenders alike. While you enjoy the benefit of more consistent payments and reduced manual work, you can pitch AutoPays to your borrowers as a convenient time saver. With LoanPro, they're easy to configure, and can even be set up by borrowers themselves.



Sync schedules to pay periods. Logging payments just after a borrower's payday not only reduces the chance of a failed payment, but can also spare borrowers from overdraft fees. LoanPro can even support custom schedules for borrowers with irregular income.



Leverage multiple payment profiles. If borrowers use multiple bank accounts or cards, you can leverage this to increase the chances for successful payments. LoanPro can chain together multiple payment profiles according to customer priority, first trying to draw from their preferred profiles before trying others.

Keep borrowers engaged, informed, and repaying with personalized communication

Personalized communication does more than just keep borrowers informed—it keeps them engaged, building a long-term connection with your company. But crafting messages to each individual borrower will consume massive amounts of agents' time, limiting the size of the portfolio you can support.

That's why LoanPro has paired communication tools with our Automation Engine, creating a powerhouse solution for personalized, automated borrower interactions. You can automatically send physical mail, email, and two-way SMS, all tailored to individual accounts, borrowers, and collateral.

Leveraging real-time account data, LoanPro generates and sends messages according to your own custom business logic. Without lifting a finger, you can send ongoing messages to customers reminding them of upcoming due dates, explaining payment options, and providing account-specific details like their payment history, payoff, and even calculated values for how their account will look after a payment is made. And when borrowers reply, Loanpro automatically flags their accounts, creating a queue for your agents to review and reply.

Reduce risk of defaults with account adjustments

When some accounts inevitably go delinquent, too many lenders simply ramp up their previous collections efforts—making more calls, sending more warnings and reminders, and tacking on more late fees. But more aggressive collections efforts do nothing for borrowers experiencing a surge in expenses or sudden loss of income, and instead annoy and alienate them during a period of financial hardship.

Collections isn't a zero-sum game, and borrower-friendly strategies are often bottom-line-friendly as well. During the COVID-19 pandemic, we saw lenders implement hardship programs and other account modifications, and the result was lower default rates, greater long-term repayment, and drastically improved borrower-lender relationships.



Temporary adjustments for short-term disruptions. Some life events might disrupt short-term cash flow without drastically altering a borrower's financial situation. When a borrower changes jobs, moves, or pays for a hospital trip, showing leniency can go a long way toward fostering loyalty. What's more, minor edits to due dates or interest will scarcely affect your earnings over the life of the account.



Permanent adjustments to accommodate major changes. Major life changes (like a new child, divorce, or caring for a relative) can alter borrowers' financial situations so drastically that they're no longer able to pay in their contracted terms. But instead of letting them default, offer adjusted terms like a reduced payment amount or extended schedule.



Streamline adjustments with automations and a guided UI. On legacy platforms, even minor updates require significant manual work. LoanPro can cut down workloads through customer self-serve tools and automations, both fine-tuned to your credit and collections policies. When manual reviews are necessary, review queues and custom UI walkthroughs seamlessly guide agents through each step of your processes.

10x

Portfolio size
without increasing
headcount

15%

Of collections
staff relocated to
other tasks

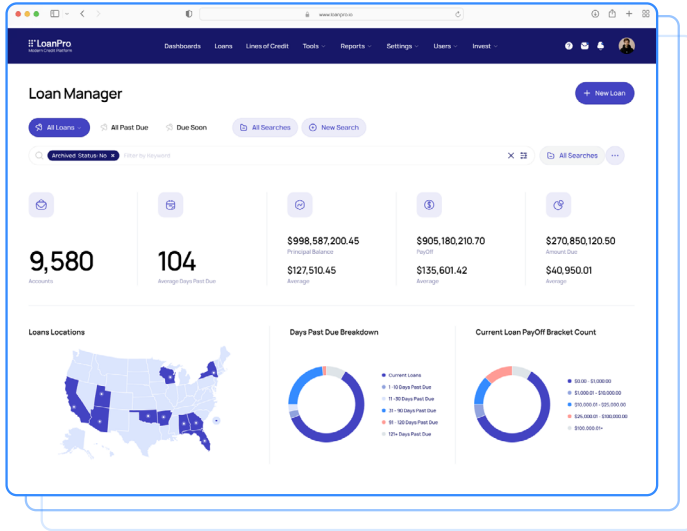
20%

Decreased in
default rates with
after one month


70%


Of account updates
made with self-
serve tools


Data management and reporting



While the other strategies we've discussed can all be implemented on an account-by-account basis, it's also important to develop large-scale collections strategies that leverage your data to maximize returns. On legacy lending systems, data might be siloed or simply inaccessible, but LoanPro's modern credit platform enables lenders to fully access their data through UI reporting tools, a robust API, or even directly through a real-time replicated database.

 **Detect problems in wide-scale.** LoanPro's data and reporting tools can help identify accounts at different stages of risk—whether by days past due, amount past due, or any other metric you use. As it detects those problem accounts, it can automatically communicate with borrowers, adjust accounts, or flag them for manual review.

 **Report borrower credit.** Whether they aim to protect their score or raise it through repaying, customers have a vested interest in repaying lenders who report credit. LoanPro streamlines the logistics of reporting to the bureaus, but to get the most out of this incentive, you should keep your borrowers informed. Telling them that you report to all three bureaus and can raise their score—or warning them about the consequences of missed payments—can help them recognize those incentives and act accordingly.

 **Maintain an audit trail for litigation.** If you use litigation to recover lost payments through a settlement or wage garnish, the courts will need ample documentation showing what the borrower owes and whether they're in breach of contract. LoanPro can save contracts directly to accounts or borrowers, and automatically maintains a comprehensive audit trail of all activity on the account, and both can be easily exported.

Level up your collections today

Best Egg, a personal lender that leverages LoanPro Collections Suite, recently ranked 2nd in the JD Power consumer lending satisfaction study and won Consumer Affairs Buyer's Choice awards in three categories. Not only have they managed to drive revenue and growth during a period of economic uncertainty, but they also strengthened their customer retention and loyalty.



"Payment flexibility has many shapes and forms – it can be unique and innovative payment programs for customers if they fall on hard times, or it can be unique and innovative repayment plans at the outset of a loan."

Alex Rhodes, Best Egg COO