

# Turn credit-builder products into long term relationships through LoanPro

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LoanPro is the market-leading modern lending and credit platform, empowering financial organizations to prioritize profitability by enabling them to go to market quicker with products that are truly personalized and differentiated. Our 600+ customers have reported the following results with LoanPro:

**Speed to market:** Ability to launch new products in four weeks or less (leading neobank) that empowers you to quickly launch new credit and lending products that are truly differentiated for new partnerships you bring on.

**Retention:** Create a best-in-class borrower experience that won a J.D. Power award in 2023 (Best Egg).

**Operational efficiency:** Grow your lending and credit portfolio without the need to hire a significant number of front-line staff to service those accounts (Best Egg + Octane).

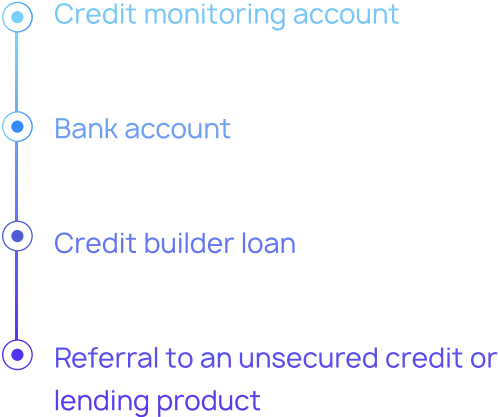
**Reduce risk:** Decrease credit losses by an average of 38% (All 600+ Customers).

Drawing on the experiences that launching over 2,000 lending and credit programs provides, LoanPro has established itself as an industry expert, assisting numerous lenders in launching products in less time and with fewer resources than ever before. We're confident in our ability to seamlessly integrate with any lender's strategy to meet marketplace needs and drive revenue through launching personalized and differentiated lending and credit products.

# Relationship focus to drive long-term revenue

Amid economic uncertainty, many consumers rely on lenders not only to improve their credit scores, but to increase their financial health and literacy. LoanPro can empower you to build longer-term relationships with these customers by enabling the bottom-of-funnel financial products they want as their credit scores improve and needs change. These borrower-friendly credit products will also increase the attractiveness of your organization for new customers who struggle to qualify for loans in the market. LoanPro's platform supports uniquely personalized products to convert credit-building transactions into life-long customers, ultimately driving an increase in revenue.

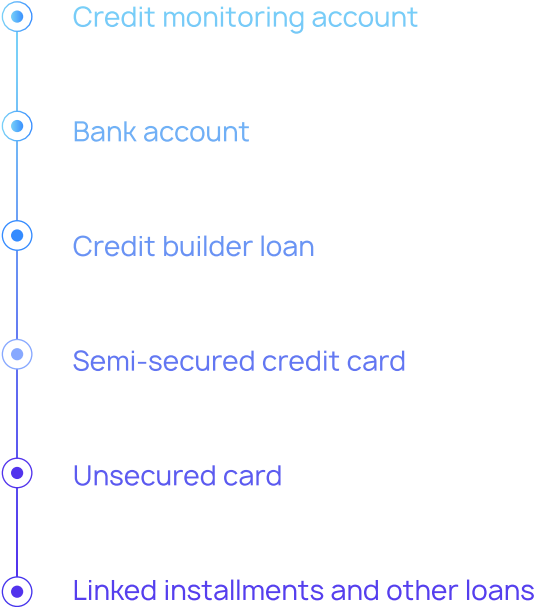
For example, the current funnel for a credit builder loan, one of many borrower-friendly products, typically looks something like this:



Customers progress down a path to build their credit that starts with obtaining credit information and can lead to opening a debit account or even a secured card with a secured line of credit. Products provided to build credit towards the beginning of this process, such as a credit builder loan, fulfill an important need for any consumer working to improve their financial situation.

But that funnel falls short when it comes to building relationships. LoanPro will further enable you to leverage these customer relationships through additional innovative financial products to your funnel that will build long-term customer loyalty.

With LoanPro, the new funnel could look like this:



Increasing the number of products in this credit building funnel will accomplish the following objectives:

- » Increase revenue through optimizing the attractiveness of your solution with both products that increase your customers' credit scores and are differentiated in the market
- » Bridge the gap between the marketplace and your credit building services by offering a suite of products to customers who aren't qualified for any marketplace offers
- » Increase customer retention through differentiated, first-of-their-kind credit and lending products
- » Align quickly and closely with your strategy to provide a platform to your customers and focus on lifetime customer value
- » Provide you with a platform with the flexibility to offer unique lending and credit products to new verticals, partnerships, and brands with the ability to launch these new products in four weeks or less

## New products

As customer's credit scores improve and they look for more credit and financial flexibility, you can leverage the relationships you've built and the right financial products to confidently offer what customers need. The LoanPro platform will unlock flexibility and personalization through transaction level credit™, enabling you to offer products that provide long-term customer retention.

This feature allows for the detailed analysis of each card transaction, including classification by category, merchant name, or geolocation. With this data, lenders can create unique rules to approve or deny transactions, further customizing the customer experience.

Following approval, transactions can be grouped into specific buckets based on criteria you define. Each group can have its own terms, such as interest rates, abatement periods, group balances, and finance charge calculations, managed through LoanPro's real-time credit ledger.

This flexibility enables the creation of unique credit programs that were previously unimaginable. For example, you could launch an active military duty card offering reduced rates on essential purchases for families of deployed service members.

By continuously pushing the boundaries of what's possible in financial technology, LoanPro ensures that our partners not only keep pace with industry changes—they lead them.

## Semi-secured credit card

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Based on credit score, deposit, or payment history, lenders can provide customers the option to upgrade their secured debit card to a semi-secured credit card. Similar to the secured card, this card will still require a deposit by the cardholder, but the amount of credit extended will exceed the deposit amount.

This card will offer unique flexibility and incentives to encourage cardholders to further improve their credit. The amount of credit offered and the financial mechanics of the card can be adjusted based on repayment performance, credit score improvement, or deposit amount. As an example, if a customer makes payments on time for six consecutive months or improves their credit score by 20 points, the credit limit could be increased or the cardholder could benefit from deferred interest for transactions in their preferred spending category. These and other adjustments can be made using LoanPro's native automation or through the LoanPro API.

This product will operate as a credit card, earning higher credit interchange fees to provide significant revenue to you, while extended credit will earn interest revenue. The semi-secured nature of this card, coupled with the cardholder's track record paying back loans on time, will limit underwriting and default risk and cost. The flexible nature of this card and the captive market will ensure significant adoption.



## Unsecured credit card

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At the bottom of the funnel, lenders can offer a revolving unsecured credit card to customers with the best credit scores and track record. This card will fully implement transaction level credit™ to provide flexibility and pique the interest of any existing or new customer. This card would offer things like:

- » Traditional rewards based on spending
- » Financial incentives based on repayment history
- » Interest deferral in preferred spending categories
- » Preferred interest rates for preferred spending categories
- » The option to roll category or card balances into linked installment loans

The LoanPro platform will provide unparalleled flexibility for your customers in this card. To do so, we recommend leveraging this through a cardholder-first design for this product. Cardholders could choose preferred spending categories like dining, electronics, clothes, travel, etc. and specify financial incentives for each category like a 10% interest rate, 60 days interest deferral, etc. As spending occurs, cardholders can choose to roll category balances into installment loans to facilitate more manageable payoff at lower interest rates.

The flexibility and options provided make it easy to launch differentiated card products, allowing you to offer a single, flexible product to capture a broad market or multiple products to capture a larger number of more specific markets. LoanPro can help you to create and tailor these card offerings in order to achieve specific goals. This card will also operate as a credit card, enabling lenders to capture higher interchange rates, while earning interest income. This card will also serve as a single access point for linked installment loans, making account management easier for customers.

## Lending

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With the LoanPro platform, you can offer a diverse range of installment loans across nearly every asset class. We recommend offering loans at strategic points throughout the funnel to qualifying customers, starting with small, personal loans and including larger loans, like auto loans, for more qualified customers. Offering small personal loans, auto loans, or any other type of installment will help customers as they progress financially, while allowing you to capture more revenue from your existing customer base.

## Strategic impact and partnership advantages

The addition of true credit products to a lender's offering will drive long-term customer relationships and dramatically increase revenue. These relationships will provide a competitive advantage for you by leveraging financial data you already gather to significantly decrease the lending risks and cost of underwriting. Moreover, this addition assists you in improving the lifetime value of your customers and becoming their hub for their entire financial life.

We are confident that our experience, delivery team, and established partnerships will ensure success as you take these new products to market. The LoanPro platform is designed as API-first and configuration-first to allow our customers to launch new lending and credit products in less than four weeks. We look forward to building together.

# Learn more.

If you're curious about how LoanPro's credit builder products can boost revenue and customer relationships, reach out and schedule a demo. Our team will be happy to show you more.

Request a demo →