4 strategies to increase member limits and your bottom line - without increasing risk

With the right strategies and a comprehensive view of your members, you can proactively manage your card portfolio, build member trust and increase your bottom line. As identified in our recent webinar, here are four steps to successfully implement a risk-based credit line increase process.

1. **Segment your cards portfolio.**
   - Who will spend and revolve?
   - Who will spend but won’t revolve?
   - Who is spending elsewhere but not with you?
   - Who is not spending on any cards?

2. **Analyze all available data to determine ability to afford additional credit.**
   - Business rules.
   - Debt ratios.
   - Credit bureau scores.
   - Credit attributes.
   - Historical behavior analysis.
   - Member value.

3. **Develop a strategy.**
   - Identify accounts to be increased.
   - Tier increase amounts based on credit card spend and revolve rate.
   - Don’t forget “back-end” functions, such as co-applicants, multiple accounts, recent account closures/ delinquencies, and personalized communication of the offers.

4. **Track performance regularly**
   - Short-term metrics: transaction volume by increase group; interchange income and opt outs.
   - Medium-term metrics: incremental revolving balances; interest income and 30+ delinquency.
   - Long-term metrics: 30/60/90+ delinquency rates; annual plastic spend share and portfolio yield.

Don’t wait for your members to contact you. Take a proactive approach to your credit line increase program. You’ll enhance member relationships and improve your bottom line.

**Let’s get started**