

Increasing efficiency and funding rates with automated decisioning

Arizonans need a financial institution they can trust with their hard-earned money. That's where OneAZ Credit Union comes in. Founded in 1951, OneAZ serves over 140,000 Arizonans across the state. With 21 branches and a full-service digital team, OneAZ provides a world-class member experience while helping members exceed their financial goals. They partnered with Experian® to implement an advanced decisioning system that would increase efficiency and further improve the member experience.

Challenge

Credit unions are continually evolving and being challenged to develop their technology capabilities while improving the member experience. Although OneAZ had been using their existing loan decisioning system for years, it had limitations that were hindering their objectives. These limitations, along with underwriting criteria that had been in place for years, resulted in a high rate of manual reviews, which impacted loan funding rates and the overall member experience.

In addition to streamlining their credit underwriting decisioning and meeting growth objectives, OneAZ's top priorities included:

- Reducing manual reviews
- Offering a better member experience during the loan origination process
- Improving operational efficiency of the underwriting process to fund more loans faster
- Increasing the credit quality of funded loans



“The speed at which we can return a decision and our better understanding of future performance has really propelled us in being able to better serve our members.”

— John Schooner, VP Credit Risk Management

Analysis and recommendations — a partnership approach

Experian recommended a phased analysis and implementation approach that included analytics, Experian Advisory Services business review and strategy design consulting, Strategy Design Studio, and PowerCurve® for Instant Credit via Decisioning as a ServiceSM. The result was a comprehensive solution tailored to OneAZ's specific objectives:

Step 1: Scorecard validation — Validated current scorecard against other scores in order to understand model performance.

Step 2: Swap-set analysis — Used the results of the validation, along with the client's score cutoffs and risk-based pricing tiers to complete a swap-set analysis comparing the existing risk score with other scores included in the validation.

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Step 3: Automated underwriting strategy design — Worked with the client to understand internal business policies, system restraints and other limitations/guidelines that needed to be considered. Experian Advisory Services then applied Premier AttributesSM and other data assets from the archive pull, in addition to the client's internal attributes, to develop an automated underwriting strategy. The strategy was designed specifically to meet OneAZ's desired loss rates and approval rate goals.

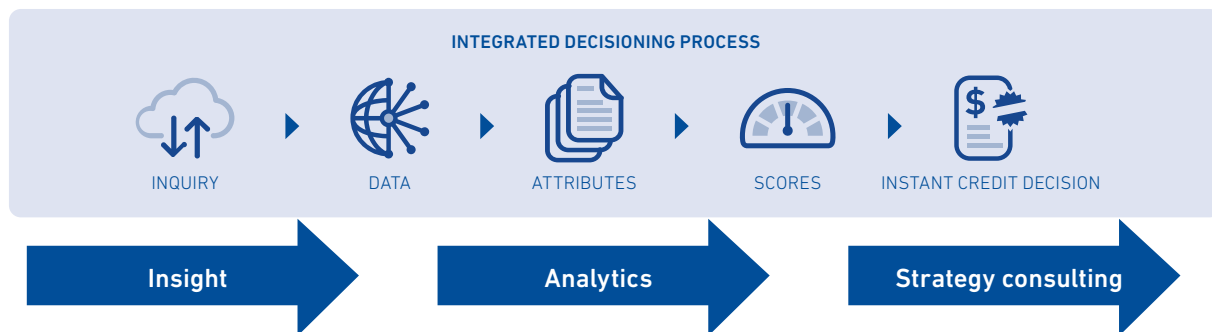
Step 4: PowerCurve for Instant Credit via Decisioning as a Service implementation — Implemented an integrated decisioning system that provides flexible access to data, attributes and scores and results in increased decision automation through their existing loan origination system.

Step 5: Strategy Design Studio — Software that enables champion/challenger strategies and flexibility for clients to manage their decisioning criteria.

RESULT: Higher loan funding rates and lower manual reviews

The client was pleased with the initial results as they matched the projections shared in the analysis/business case presented. By leveraging the recommended solutions, OneAZ was able to:

- Increase loan funding rates by 26% one month after implementation.
- Reduce manual reviews by 25%.
- Modify strategies to quickly respond to evolving conditions.
- Increase member satisfaction through greater efficiency and a better overall experience.
- Improve the quality and diversity of their loan portfolio.
- Match members to the right loan products.
- Meet compliance requirements.



Get started today

You don't need to transform your credit underwriting process all at once. Instead, you can obtain decisioning ecosystem capabilities such as access to additional data sources, more predictive attributes and scores, and better automated decisions in an incremental manner that best suits your business needs. Get started with a business review, where our Experian Advisory Services consultants can help you identify short-term wins, as well as create a comprehensive, multiyear strategic road map designed to fit your organizational objectives. The strategic road map serves as your guide to achieving revenue, cost and market share goals, while providing continual business improvement across your organization.

Let us help you improve your decisioning and create an exceptional member experience. Contact your local Experian representative or call 1 888 727 8330.