

# Increase approvals and create an exceptional member experience with automated decisioning

Michigan State University Federal Credit Union (MSUFCU) currently has over \$7.2 billion in assets and 330,000 members. Their mission is to provide superior service while assisting members and employees to achieve financial security, their goals, and ultimately, their dreams.

## Challenge

The client did not have a loan decisioning system in place and was manually reviewing all applications. They were in need of a well-designed strategy to help them grow their loan portfolio, increase employee efficiency, and reduce credit risk.

Experian has decades of experience in developing highly effective decisioning strategies. We partnered with our client to understand their challenges and design a comprehensive solution to support their objectives.

## Analysis

The Experian team worked closely with the client to review their current risk levels and approvals. The engagement began with an analysis that included a validation of risk and bankruptcy scores. The validation compared the performance of these scores to determine which was most predictive. We also included a risk-based pricing analysis to identify optimal risk tiers. The strategy recommendations from this analysis will enable MSUFCU to focus on growth while reducing risk and improving member satisfaction.

The validation was followed by a strategy review session to understand MSUFCU's current lending strategies. Our consulting team leveraged several Experian data assets to design an optimal lending strategy. This included Experian Clarity Services alternative data and analyzing the approved but not funded and declined applicants. By having access to this data, Experian was able to create a strategy which allowed MSUFCU to approve more accounts while effectively managing risk.

## Solution: Decisioning and Strategy Consulting

Based on the results of the validation and strategy review session, our team recommended implementation of a new decisioning platform and optimized decisioning strategies using the following solutions:

- Experian's decisioning platform, Experian Decisioning for instant credit decisions on the client's secured and unsecured personal loans
- An alternative data score which uses Clarity data
- Hosting by Experian with our web-enabled Experian Decisioning Design Studio
- Experian Advisory Services strategy design and riskbased pricing

## Results

Implementing a new decisioning system and strategies has led to significant operational efficiencies and benefits for MSUFCU, including:

- Increasing average monthly automation to more than 55%
- Improving online application response time by four times
- Competing more effectively in the marketplace
- Providing members with an exceptional experience

Based on the results of this engagement, the client continues to partner with Experian to consistently refine their strategies. Their goal is to continue to increase efficiency and reduce risk, while improving the member experience.

We can help you design more successful strategies through our expert consulting and analytics. Contact your local Experian representative or call 1 855-339-3990.

