Case study

Turning thin-file members into $26 million in incremental growth

How proactive credit line management generated $26 million in balance growth at 0.59% delinquency

Executive overview

America First Credit Union (based in Riverdale, Utah) identified a structural gap in its credit card portfolio strategy: Financially responsible members who had thin or nonexistent credit files at time of origination were being underserved despite demonstrating strong internal financial behavior.

After implementing a proactive, data-driven credit card graduation program in September 2024, America First achieved measurable portfolio impact within the first year:

- More than 32,000 credit cards received limit increases.
- They achieved approximately $26 million in balance growth within the segment.
- Delinquency held at just 0.59%.
- There were minimal write-offs across the population.

The initiative generated incremental balances without increasing portfolio volatility, demonstrating that disciplined growth and risk management can coexist through account management strategies.

The challenge: a starter product without a growth path

The opportunity became clear through a member experience that exposed a broader portfolio issue. A 28-year-old member joined the credit union with essentially no established credit history and received a $500 starter credit card. Consistent with standard thin-file treatment, the member stayed at that starter card limit without review because they didn't fall into the credit union's limit adjustment strategy.

Over time, internal data told a story about the member's improving credit risk. The member maintained direct deposit with the credit union, demonstrated stable cash flow and had no delinquency indicators. Despite this, her credit limit remained unchanged.

Within months, a competitor extended a $6,000 credit line, later increasing it to $12,000. Although the member retained her primary banking relationship, her credit engagement shifted externally.

America First realized this wasn't a credit risk failure. It was a lifecycle management gap. The data existed. The action didn't.

Root cause: reactive account management

A review of portfolio processes identified three structural challenges:

- Starter credit products lacked a clearly defined graduation strategy.
- Internal deposit and behavioral data weren't systematically leveraged for growth decisions.
- Credit line increases for the new borrower segment were largely reactive rather than proactive.

Although America First received quarterly account review files with refreshed bureau data, those insights weren't consistently driving structured limit reassessment for improving members.

The solution: a structured graduation strategy

America First implemented a proactive credit card graduation program with defined eligibility criteria. Members qualified for review if they:

- Originated with thin or zero credit history
- Held a starter credit limit
- Maintained the card for at least six months
- Demonstrated active deposit history
- Avoided delinquency within the defined lookback period
- Showed improved bureau performance through quarterly review files

The team also began evaluating expanded FCRA-regulated alternative data to further refine segmentation for future phases of the program.

Operational enhancements

The program launched with a comprehensive review of eligible accounts and transitioned to a monthly monitoring cadence. After a limit increase, accounts reentered the review cycle following another performance period, allowing for continued progression based on behavior.

This represented a fundamental shift from transactional servicing to ongoing lifecycle orchestration.

Results: growth with discipline

Since launching the graduation strategy in September 2024, the program delivered significant financial impact:

32,000+
cards increased

Utilization of these cards
increased by 10%

~$26 million
in incremental balances

0.59%
delinquency within the segment

Very limited
charge-offs

Importantly, this segment produced strong payment performance and attractive yield characteristics due to the original pricing structure of starter accounts.

Beyond balance growth, America First observed increased member engagement. Many members contacted the credit union following proactive increases to request additional limits, refinance vehicles or pursue balance transfers. The graduation program strengthened overall relationship depth.

Strategic impact

This initiative demonstrated several broader portfolio management principles:

- **Growth requires timing.** Thin-file status at origination doesn't define long-term creditworthiness. Monitoring credit trajectory enables responsible expansion.
- **Internal data is a competitive advantage.** Deposit behavior, cash flow and payment stability can serve as leading indicators for credit line optimization.
- **Lifecycle management reduces attrition.** Competitors monitor credit activity daily. Proactive credit management protects share of wallet.
- **Risk and growth aren't opposites.** With defined criteria and disciplined monitoring, credit expansion can occur without increasing portfolio volatility.

Looking forward

Today, America First continues refining the program by adjusting review intervals, enhancing segmentation criteria and integrating additional data layers to improve precision.

What began as a single member story evolved into a structural portfolio improvement initiative. The lesson is clear: Account management must extend beyond periodic review. It must actively manage customer momentum.

Learn more

Financial institutions invest heavily in acquiring customers. However, long-term value is determined by how effectively those relationships are expanded and protected after booking.

Modern portfolio growth requires more than periodic account review. It demands continuous visibility, proactive segmentation and the ability to act on both risk and opportunity signals in real time.

If you're evaluating ways to enhance your credit line management strategy, implement structured graduation programs or build a more proactive portfolio management framework, Experian can help.

To learn how data-driven account management solutions can support your portfolio strategy, please contact your Experian account executive or visit us online to connect with a representative.

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