

## Using Core Systems to Increase Loans and Deposits

Many core processing systems are designed to help credit unions increase the volume of loans and deposits from today's members. Online applications, micro advances, loan savings reports, and member reward programs – these are just a few areas where they can help.

**Online applications** - Using the online enrollment and application service offered by some core processors is a sure way to increase loans and deposits at your credit union. By making it easy for members to apply – at a time and place convenient for them – they are more likely open an account or apply for a loan from your credit union, instead of going somewhere else or putting it off another day. Plus, many online application modules provide the ability to cross-sell additional accounts and loan products geared toward particular members based on their individual demographics and financial status. Subsequently, these cross-selling efforts provide personalized account and loan offerings to your members at a time when they are most likely to apply – at the time of enrollment – which helps to further increase the number of loans and deposits at your credit union.

**Micro advances** - Instead of sending your members off to a commercial payday lender, help them get back on their feet by offering an alternative. Some core processors offer an online service to help facilitate these small, short-term advances and make it easy for members to apply. Hosting an online micro advance service saves your members the trouble and embarrassment of actually coming into the credit union – or worse, to a commercial payday lender – to obtain this type of loan, making them more likely to apply. Your members would appreciate the extra help to get them back on their feet, and your credit union would increase the number of loans. Micro advance services, such as the one offered by Galaxy, works for everybody ... your members, your credit union and the community. Everybody, that is, except the payday lenders.

**Loan savings reports** - Many members only apply for a loan every few years, which limits the number of loans a credit union can bring in. One way to increase the number of lending opportunities with each member contact is by showing members that they can save money by transferring loans to your credit union every time you meet with them. Few core processors offer a loan savings report capability that instantly interrogates your members' trade lines, comparing their current payment and interest rate against your credit union's. By instantly showing members a dollar and cents reason to transfer existing loans and credit cards to your credit union, you can easily bring in more loans. With core processors such as Galaxy, you can even go a step further to integrate this savings information with industry-recognized call center services, and offer the ability to create customized letters and/or emails to follow up with members for even more lending opportunities. While many credit unions conduct this process manually, using a core processor that can automate this service will likely result in increased loan production.

**Member reward programs** - Another way to increase loans and deposits is by offering your members an incentive to do so. Some core processors host a member reward program that encourages members to use more of your credit union's products and services, such as, in this case, opening a new account, applying for a new loan, or increasing the value of their deposits or current loan. Overall, reward programs attract new members to your credit union, increasing deposits and allowing them to apply for loans. The more your members use your products, the more they are rewarded – which, in turn, develops a positive cycle of increased loan and deposit activity for your credit union.

**Integration of deposit and loan services** - By leveraging the power of a core system that can integrate each of these technologies, you can further increase the number of loans and deposits at your credit union. For example, at Galaxy, the iAdvance micro lending module integrates with the iSwitchKit online application service, enabling a potential member to apply for a new account, loan or cash advance online, when and where it is convenient for them. Credit unions can also use the CreditMine loan savings report tool to show that applicant how they can save money in other areas by transferring their external loans to your credit union. And, with the S.T.A.R.S. member reward program, the new member, new account holder, or new borrower can be rewarded for each of the accounts they open and each of the loans they transfer, encouraging them to become a repeat and loyal member. As a result, these integrated services stemming from your core system will keep members returning to open more accounts and loans from your credit union in the future.



**Jay Slavin**  
Senior Vice President

**Jay Slavin** is the Senior Vice President of Product and Business Development at Galaxy, a leading solutions provider for credit unions and their members. Jay's team researches market opportunities; creates product strategies; and directs the development, programming, launch, and technical support for Galaxy's member-servicing solutions – including online banking, online enrollment, micro advances, loan savings reports, and member reward programs. Jay is also the General Manager of Fiserv Continuum, a new product division of Galaxy, which offers these member-servicing solutions to credit unions using a variety of core systems. A leader in credit union solutions, including its online and in-house core processing system, Galaxy provides innovative credit union technology services to more than 325 credit unions nationwide.