

---

# CUNA Mutual Group's Auto Loan Recapture<sup>®</sup> Campaign



---

**“We’re a small credit union—with a very small staff! We needed a can’t-miss, turnkey way to recapture our auto loans. CUNA Mutual Group delivered!”**

Like many credit unions, the Department of Public Safety Federal Credit Union, was losing member loans to auto dealers. “We offer competitive rates, but we’re not there at the point of sale,” said Barbara Ray, president and CEO. “People want to leave the dealership with a car and perceive the dealership rates as competitive. We were losing these loans and our members were being hurt by high-pressure sales tactics.”

Ray knew her credit union couldn’t afford an indirect program and asked her CUNA Mutual Group team for ideas to combat her shrinking auto loan portfolio. They introduced her to the Auto Loan Recapture (ALR) campaign. ALR uses targeted direct mail and emails to reach out to members who have auto loans at other financial institutions and would benefit from a switch to the credit union (with lower interest rates, lower payments, etc.). It’s a tool that can be used to recapture existing loans and acquire new ones and its focus is on sending the right message to the right member at the right time.

As a very small credit union with a staff of just seven, Ray wasn’t immediately sold on the value of the campaign. “My first reaction was that we couldn’t afford it,” Ray said. “But trying to recapture loans on our own would have been beyond the resources of our staff and we couldn’t have done it without running credit reports, which would have been prohibitively expensive. As our portfolio continued to slip, we realized we couldn’t afford *not* to try ALR.”

The credit union made a one-year commitment to the program, which launched in 2013; there have been two mailings to date. “We’ve booked just under an additional \$1 million on just auto loans through ALR and most have a five-year term, so they’ll be an income stream for as long as they remain on the books,” Ray said. “It cost us \$4,500 to run the program for a year and our anticipated gross income from these auto loans this year is about \$12,814. That’s an impressive ROI!”

Ray has anecdotal evidence of additional loans booked outside of auto because of the ALR campaign, as well as sales of Guaranteed Asset Protection (GAP) and Mechanical Repair Coverage (MRC) to members whose loans were recaptured. Now that she’s seen the “halo effect” of ALR, she plans to track this additional revenue growth during the next mailing.

“A critical part of this program’s success is that the offer came from us, their trusted credit union,” Ray said. “The member might have gotten caught up in the immediacy of getting a loan at the dealer, but these mailings remind them they have other—better—options.”

With two successful mailings down and more scheduled, Ray has become a strong advocate of ALR. “I wasn’t sure of the program initially because there were so many unknowns on our end. I didn’t know how many loans we’d lost and I didn’t appreciate how willing our members were to leave us because the auto dealer made the lending process so easy. As a small credit union, we’re so focused on keeping costs down that sometimes we miss opportunities. But with loans at an all-time low, we needed to try something different and Auto Loan Recapture worked great for us.”

**Barbara Ray, President/CEO**  
**Department of Public Safety Federal Credit Union**  
**Oklahoma City, Oklahoma**  
**\$28 million assets; 3,200 members**