



15 STEPS TO A SUCCESSFUL INDIRECT LENDING PROGRAM

It's not a secret Credit Unions have long struggled with indirect lending programs, due in part to the disparity on business hours between a Credit Union and that of a dealership's. The majority of car sales take place during the weekend when Credit Unions are closed. Ronnie Anderson, Indirect Lending Manager at Community Resources CU, notes that partnering with a CUSO like Credit Union Acceptance Company can give Credit Unions the edge and access needed at the

point-of-sale and acknowledges that *"a successful indirect lending program will only be as successful as the quality, experience and dedication of the people involved. The driver of this program needs to be on board from the inception to ensure success."*


Ronnie shares his success in this **15-Step Guide to a Successful Indirect Lending Program**, but cautions: *"A successful program is never developed overnight."*

1. Go back to the basics.
2. Use site drafts only when dealer options are not available.
3. Develop local service area dealer partnerships with a routine and consistent call program that includes a Credit Union representative and a CUAC representative.
4. Have decision makers available to respond when there is a need.
5. Empower your Credit Union representative who calls on the dealers to make loan decisions on the spot.
6. Provide quick responses and turnarounds. Time is money to dealerships and particularly to a finance and insurance manager.
7. Remove the competitive environment for selling aftermarket products, i.e. GAP, Credit Life and Disability, Extended Warranties.
8. Having loan officers enter pre-approvals into the system is a key ingredient to the overall success of the program.
9. Develop a contact at each dealership to whom your loan officers can refer business and who will ensure that your member will not be flipped to captive financing.

"Adversarial relationships between credit unions and auto dealers never work. Find a common ground where you can work together."

- Ronnie Anderson



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10. Call the dealer contact when you have a pre-approved member in your office. Advise him/her that you have just approved Mr. "Doe" and you are sending him to the dealership to purchase a vehicle.
 11. Pre-approve your members not for what they ask for, but the maximum amount they qualify for. Why are pre-approvals important?
 - a. It helps protect your member from being flipped by the dealer.
 - b. It shows the dealership that your member is a qualified buyer.
 - c. It shows the dealer that you are interested in maintaining a Dealer/Credit Union partnership because you are sending that member to them.
 - d. It saves your member a significant amount of time and stress in the car buying process.
 12. Develop a Preferred Dealer program that you can advertise on your website. Make sure to include the name and a picture of each credit union dealer contact.
 13. Allow dealers to display automobiles at the credit union branch locations nearest to their location.
 14. Utilize CUAC for initial training of all branch staff involved in the indirect program including new employee orientations.
 15. Provide ongoing refresher training on the indirect program at least twice a year.

***"Fostered partnerships
between credit unions
and auto dealers create
a conduit for receiving
and giving business
opportunities"***

- Ronnie Anderson

