

2011 Credit Union Excellence in Lending Consumer Lending Winner Less than \$250 Million in Assets



Texell Credit Union (\$145 million+ in assets; 26,000+ members)

- Grew lending nearly 27 percent in 2009 and 35 percent in 2010 after addressing weaknesses in lending structure;
- Results: Highest loan-to-share ratio in Texell's history, higher average loan balances, while delinquency and net charge-offs are below peer and industry averages;
- Adjusted underwriting approach to attract new borrowers from existing membership and from potential members, while decreasing delinquencies;
- New products added: Holiday Loans, Credit Builder Loans, Employer Loans;
- Cross-selling re-energized: Averages 85%, 60%, 80% and 60% penetration on credit life/disability, GAP and Mechanical Protection;
- Moved from order-taker culture to sales-driven, relationship building culture.

Texell Credit Union of Temple, Texas, found its lending operation's weaknesses and addressed them. Under the direction of new CEO Tony Hale, the transformation included a switch from an order-taker culture to a sales culture -- and the results were significant.

Before 2008, nearly 50 percent of the credit union's portfolio was concentrated in indirect loans. Now, the indirect channel accounts for less than 20 percent of the portfolio and is a means to generate new members only. Existing members are encouraged and rewarded for financing directly through the credit union.

Texell also improved its lending process for members by bringing much of its loan decisioning to the branch level and phone and internet loan applications were brought in-house. In addition, e-signatures technology was added in 2010.