





Presentation materials and video replay will be provided within one week.

Have questions? Use the questions panel  – we'll field them as we go and during the Q&A recap at the end of the call. Click "Raise Hand"  to ask your question by phone.

Shopper Alert™ and Shopper Alert™ Prospector

Reach Account Holders Who Are Actively Shopping for Loans

Today's Speakers



Stephen Nikitas
Senior Strategy Director

- 30+ years experience in strategic planning and marketing
- Consultant to banks and credit unions
- Develops strategies and campaigns to grow targeted portfolios



Stephenie Williams
Senior Market Strategist, Lending Solutions

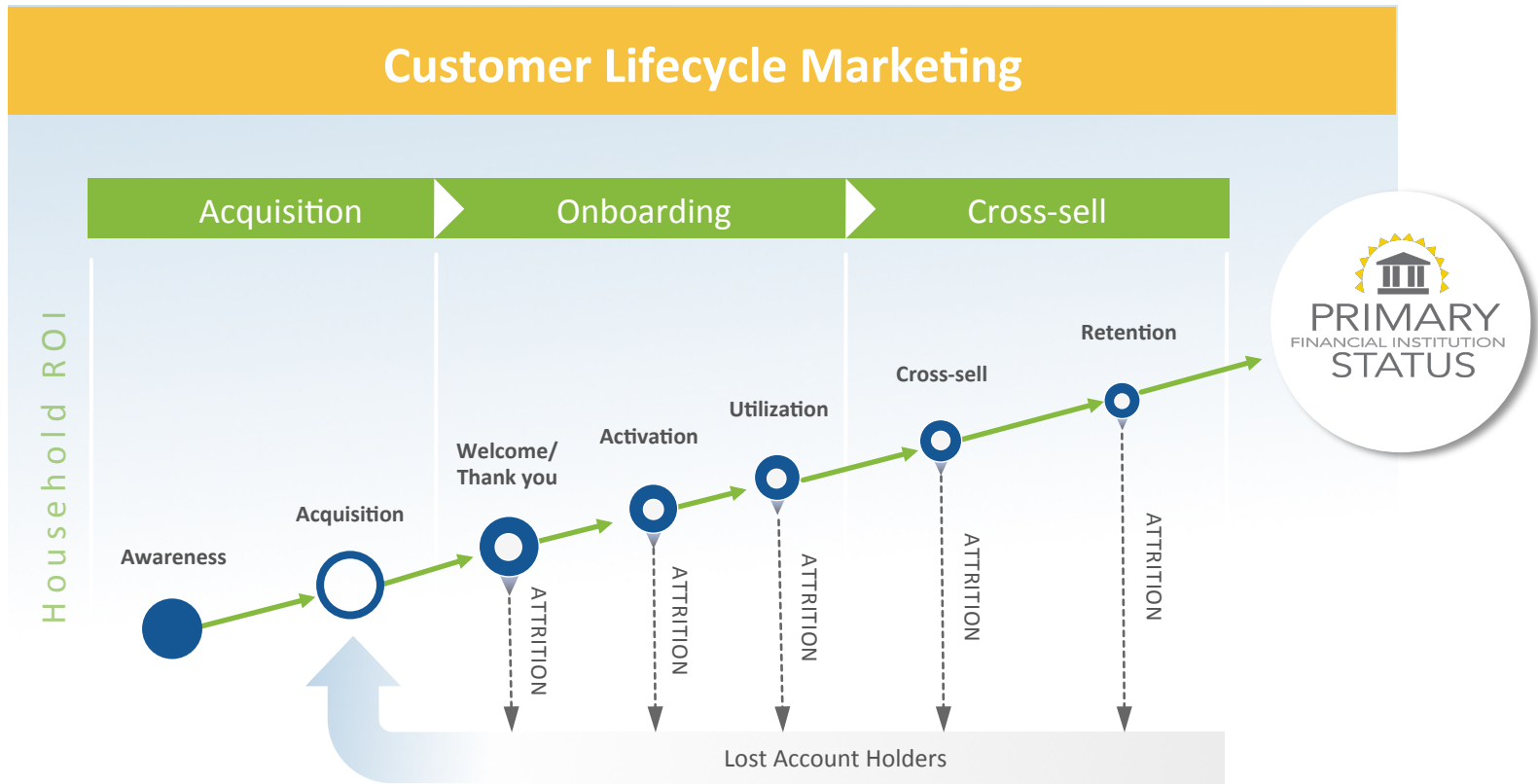
- 20+ years direct marketing experience in retail and financial services
- CRM and ROI specialist

Agenda

- Customer Lifecycle Marketing
- Harland Clarke Marketing Loan Ecosystem
- Shopper Alert Solution
- What You Can Expect
- Shopper Alert Results
- Q&A

Harland Clarke's Core Marketing Philosophy: Customer Lifecycle Marketing





- Harland Clarke provides a complete suite of marketing solutions across the entire customer lifecycle
- Shopper Alert and Shopper Alert Prospector are loan marketing solutions in the acquisition/cross-sell phase of the customer lifecycle



Harland Clarke's Loan Marketing Ecosystem

>> Our Comprehensive Approach

LOAN MARKETING SOLUTIONS

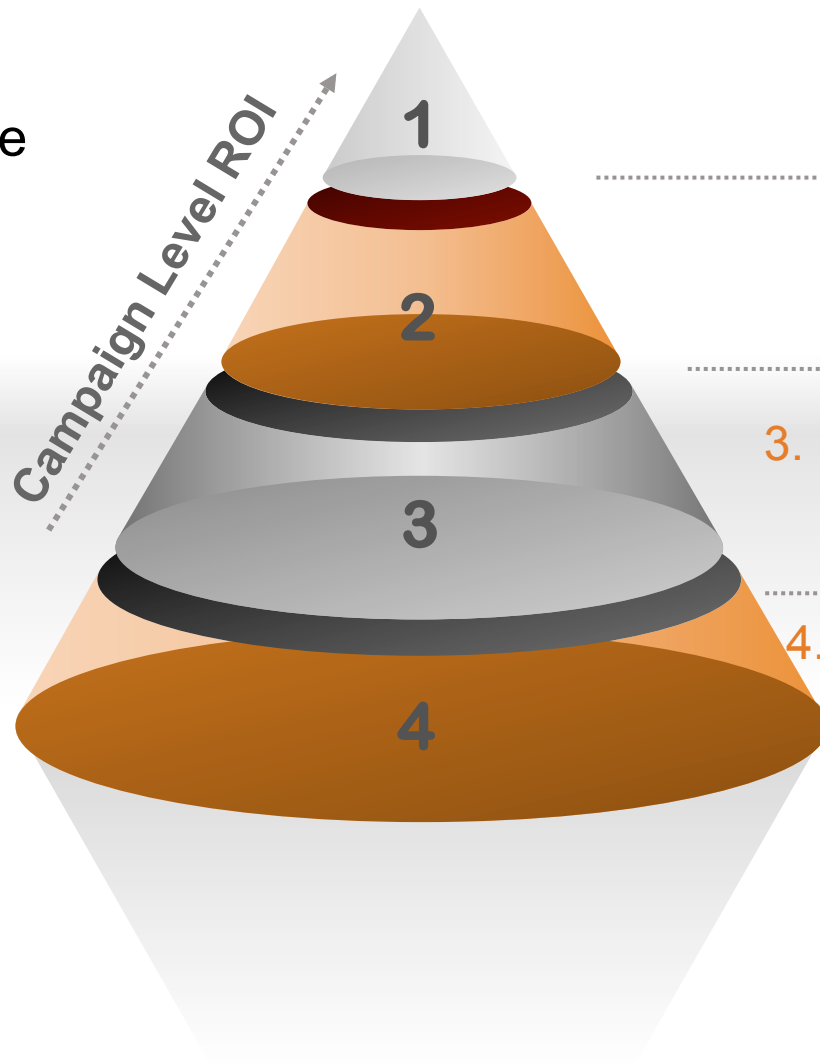
Solution	Target	Qualifications	Universe Size	Response Rate
	Loan Shopper	Trigger	Small	Very High
	Loan Eligible	Perpetually Prescreened for Multiple Products	Large	High
	Loan Holders	Refinance Eligible	Medium	High
	Loan Eligible	Credit Criteria or Demographic Proxy	Large	Medium

Shopper Alert Solution



Credit Qualified Loan Generation Audiences

The segments delivering the greatest return are limited in size



1. Shopping Customers-
Shopper Alert

2. Shopping Prospects-
Prospector

3. Non-shopping Customers
Loan Engine

4. Non-Shopping Prospects
Loan Magnet

How do Shopper Alert and Shopper Alert Prospector Work?

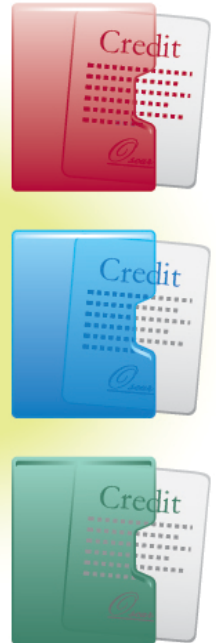


What Are the Key Benefits of Shopper Alert?

Data driven marketing that gets results

- Reaches account holders at the exact moment they are considering competitive offers
- Provides credit inquiries from all three leading credit reporting agencies
- Applies credit underwriting criteria to decrease decline rates
- Provides timely marketing deployment using direct mail, email, and/or telemarketing. Communications are sent within 24 hours of receiving the inquiry alert
- Earns higher conversion rates by leveraging existing relationships and brand recognition
- Measures campaign results to monitor campaign ROI

3-Bureau
Monitoring



Why Shopper Alert Makes so Much Sense...

We believe knowledge puts marketers in control and creates powerful marketing programs that produce extraordinary results

In a perfect world, marketers would know when their account holders are applying for a loan with a competing institution

Shopper Alert moves you closer to a perfect world by monitoring credit inquiries across the three leading bureaus and communicating a preselected loan offer within 24 hours of an inquiry alert across multiple channels

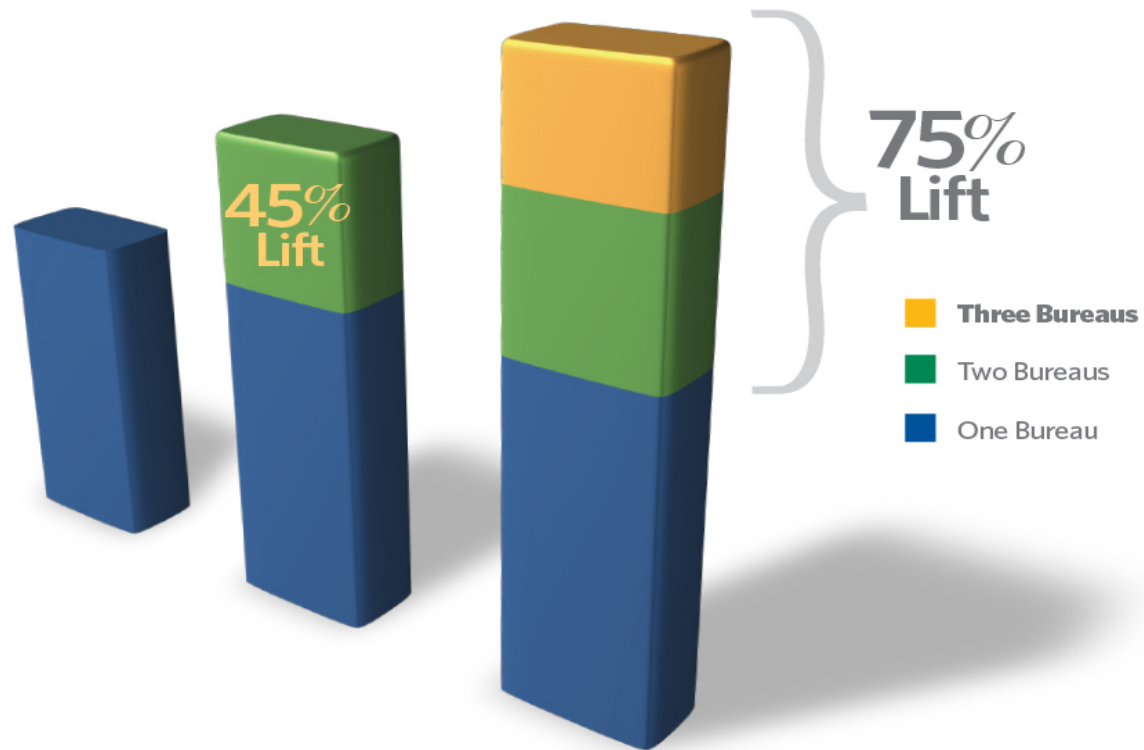


Did you know...

- At any point in time four-six percent of your account holders are actively shopping for a new loan?
- More than 60% of shoppers will make their loan decisions and commit their loan to an FI within one week of starting the activity?
- Shopper Alert is the only solution that provides access to the three leading credit bureaus in one program?
- Shopper Alert will send a communication to your customer within 24 hours of alert of their credit inquiry?
- Shopper Alert will only send communications to account holders that meet your credit criteria?

All Trigger Programs Are Not Equal

- Obtain most qualified prospects by using all three credit bureaus
- Tri-bureau access achieves up to 75% lift



Considerations when Deploying a Pre-Selection Initiative



Preselection Considerations

- Regulatory Issues
 - Compliance involvement
- Offer requirements based on Products selected
 - Firm rate offer
 - Minimum dollar amount
- Lending Department involvement
- IT Department involvement

Preselection Requirements

- An indication that the consumer is preselected or prequalified for an offer of credit or insurance
- A listing of the terms and conditions of the offer, including interest rate
 - This can include a range of interest rates for which the consumer may qualify, so long as there is an offer for which he or she does qualify if the stated conditions are met
- A minimum dollar amount of credit for which the consumer has been qualified
 - It is acceptable to say the consumer may be qualified for more, and a range can be stated so long as there is a minimum amount
- Eligibility requirements that include a statement that credit may not be extended if, after the consumer responds to the offer:
 - The consumer does not meet the criteria used to select the consumer
 - Income, Employment, LTV
 - The consumer does not meet other pre-established credit criteria
 - The consumer does not furnish the required collateral as specified on the mail piece

Credit Bureau Application Process


- Necessary to use Harland Clarke loan marketing solutions
- Preselections generate a higher response and ROI than ITA offers
- Only needs to be done once
- Harland Clarke Client Management will help

Sample Letter

- Best practice creative layout with rate as the offer
- Letters fulfilled daily to insure compliance with fair credit reporting regulations
- Letters mail within 24-hours of trigger alert
- Quick-to-Market letter versions available

- PRESCREEN & OPT OUT NOTICE

This "pre-screened" offer of credit is based on information in your credit report indicating that you meet certain criteria. This offer is not guaranteed if you do not continue to meet our criteria and other factors bearing on your creditworthiness (including acceptable property collateral, income and employment history). If you do not want to receive prescreened offers of credit from this and other companies, call the consumer reporting agency's toll-free at 1-888-567-8688 or write TransUnion OptOut/Equifax OptOut, PO Box 505, Midland, PA 16864-4694.



1234 Any Avenue • Any Town, ST 54321

(XFULLNAME1)
(XFULLNAME2)
(XADDRESS1)
(XADDRESS2)
(XCITY), (XSTATE) (XZIP)- (XZIP4)

(DATE)

Dear (XFIRSTNAME),

It's the perfect time to get a mortgage—because as a (XYZ CU) member, you're pre-approved* for an APR as low as low ((X.XX)% to buy a new home up to \$(XXX,XXX)* or reduce the payment in the home you live in now. Plus, get a \$(XXX) cash bonus* when your loan closes!

GREAT MORTGAGE RATES— AND GREAT MORTGAGE OPTIONS!
At (XYZ CU), you have lots of choices—whether you're buying new, refinancing, or just making a low improvement!

- ✓ **Conventional fixed-rate first mortgage**—same low rate for the life of your mortgage.
- ✓ **Adjustable-rate mortgage (ARM)**—lower rate for the first few years of your loan.
- ✓ **Mortgage Refinance**—a lower monthly payment for the house you're in now.
- ✓ **Home Equity Line**—a credit line you can use as you need to make home repairs, upgrades, or improvements.
- ✓ **Home Equity Loan**—like an equity line, but you get the funds in one lump sum.

ENJOY THE CONVENIENCE OF AUTOMATIC PAYMENTS.
Just have your loan payment transferred automatically each month from any (XYZ CU) checking account.


GO WITH (XYZ CU)—YOUR LOCAL CHOICE FOR LOANS!
For all your borrowing needs, choose the lender you already know and trust. (XYZ CU) has convenient locations to serve you, and a friendly, knowledgeable staff ready to work for you.

Sincerely,
Signature
(XFULLNAME)
(XTITLE)

RIGHT HERE, RIGHT NOW!

You're pre-approved* for a mortgage as low as **((X.XX))% APR***

Plus, get a **\$(XXX) cash bonus!**



HOME SWEET HOME

Use your pre-approved (XYZ CU) mortgage to buy a bigger home, smaller home, or enjoy a lower payment on your existing home.


Then, enjoy a **\$(XXX) cash bonus!** on us!

LOCATIONS:

(X(LOCATION))
(X(ADDRESS))
(X(ADDRESS))

(X(LOCATION))
(X(ADDRESS))
(X(ADDRESS))

(X(LOCATION))
(X(ADDRESS))
(X(ADDRESS))



PRE-APPROVED FOR ((XFULLNAME1))


ACCEPT YOUR ((XYZ CU)) AUTO LOAN TODAY.

CALL: ((XXX-XXX-XXX))

CLICK: ((www.xyzcu.xxx))

COME IN: Convenient locations to serve you

HURRY—offer ends ((XMonth)) ((XX)), 2012!



You can choose to stop receiving "prescreened" offers of credit from this and other companies by calling toll-free 1-888-567-8688. See **PRESCREEN & OPT-OUT NOTICE!** on other side for more information about prescreened offers.

Español: Consumer Opt-Out, PO Box 519, 99th St, 75103
Equifax OptOut, PO Box 740123, Atlanta, GA 30374-0123

Information on that we obtained from a consumer reporting agency in connection with this "pre-approved" offer. Call to request the offer because you either order or enter to creditworthiness which we previously. The credit card may not be extended if, after your response to this offer, we determine that you do not meet the criteria for this offer or any other applicable criteria based on creditworthiness, or if you do not provide the collateral. This offer may also be withdrawn in the case of the home purchase you are refinancing exceeds 50% of the LTV. Not all applicants will qualify for the lowest rate.

Financing rate. Loans subject to credit approval. Offer available for purchase or refinance to (XXX,XX,XXX) must include title insurance. Your interest rate can change after 60 months, and every 12 months thereafter. Your APR will increase or decrease more than (X.XX)% per annum and (X.XX)% per subsequent 12-month period. Rate will never be greater than (X.XX)% over the term of the loan. Payments do not include applicable taxes and state charges will be greater. APR is calculated based upon purchase of (XXX,XXX) loan amount and state (LTV) using typical (X.XX) closing costs. Payment would be \$(X,XXX) with an APR of (X.XX)%. This rate and payment based on borrower's credit score and (X.XX)%. Other conditions apply. Rate of (X.XX) and are subject to change based on market conditions and borrower eligibility. Membership required.

Bonus will be deposited into member savings or checking account within 30 days after loan closing date.

Shopper Alert Prospector Solution Summary

- Shopper Alert Prospector provides marketing loan offers to prospects (not members/customers of FI) who are shopping for a loan
- Shopper Alert Prospector offers all the benefits of Shopper Alert, plus offers and messaging can be customized for prospects
- Our experience is that prospect trigger volume will be much higher
- Prospects targeted based on proximity to branch
- Criteria to be finalized based on FI budget, credit screening and products marketed
- Best program results are achieved when a consistent calling effort is deployed in conjunction with direct mail and email solicitation
- Look back reports will include prospect opportunity size

What You Can Expect



Sample Shopper Alert Activity Analysis By Product

Credit inquiries made in the last 30 days

Inquiry Type	Count	Percent of File
Mortgage	3,802	52%
Auto	816	11%
Bankcard	1,806	25%
Installment	897	12%
Total	7,320	100%

Estimated number of new loan applications generated based on historical campaign response rate of 7.8% data is **571 new loans***

*Many variables impact campaign success. The information on earnings or percentage increases that is contained within this case study is provided for demonstrative purposes only. Harland Clarke does not guarantee or warrant earnings or a particular level of success with a campaign.



Sample Shopper Alert Activity Analysis—Credit Score

Credit inquiries made in the last 30 days

Inquiry Type	Count	Percent of File
<620	1,528	21%
620-639	486	7%
640-719	2,604	36%
720+	2,702	37%
Total	7,320	100%

Shopper Alert Results



Shopper Alert Results

Large NE Regional Bank

- \$13.5 billion in assets
- More than \$111 million in loans
- ROI exceeding 2,000%

Texas Bank

- \$5.0 billion in assets
- 12 months of marketing using Shopper Alert
- More than \$6 million in new mortgage, auto or personal loans

Shopper Alert Results

California Credit Union

- \$8.1 billion in assets
- More than \$15 million in funded loans

Maryland Credit Union

- \$1 billion in assets
- 10.1% application rate

New Jersey Credit Union

- \$400 million in assets
- Nearly \$4.9 million in new loans are in process or are already closed
- Borrower-to-member ratio has grown by nearly 6%
- Consumer loan portfolio has increased by 11%

The Harland Clarke Advantage

Fully turnkey solution includes strategy development, advanced analytics, award winning creative, print production and results analysis

Access to all three leading credit reporting agencies

A single-source provider that provides data integration across multiple channels (direct mail, email and phone)

Ease of implementation and deployment

Dedicated team to facilitate execution across all channels

Security that you and your account holders rely on

Appendix





In-House Security Programs

In-House Security Program	✓
SSAE 16 Type II Audit	✓
Payment Card Industry (PCI)¹ Certification	✓
Annual Disaster Recovery Test	✓
Multiple Client Audits and Assessments	✓
Security Testing (vulnerability and penetration)	✓
Physical Security Measures	✓
Vendor Risk Management	✓
Cybertrust Enterprise Certification	✓
FACTA Red Flag	✓
Sarbanes-Oxley Audit	✓

¹Several Harland Clarke Holdings Corp. business elements are PCI compliant.

Q & A

Type your question in the questions panel 

Raise your hand to ask questions by phone 

Stephen Nikitas

Senior Strategy Director

Stephenie Williams

Senior Market Strategist, Lending Solutions

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Thank You!

