



PEGASUS ACHIEVES RECORD 126% LOAN GROWTH WITH MPOWER

**Creating Real
Value Drives Real
Results!**

The Situation:

At the end of 2010, the Texas economy was beginning to tread water as the national economy poked its head out of the Great Recession. According to the Federal Reserve Bank of Dallas, the Texas economy expanded at a moderate pace in 2010 as company **stock prices rose** and more employees were added. In the first quarter of 2011, **payroll grew, pointing to an overall improved labor market.**

However, while the economy was slowly recovering, consumer confidence was still shaky. According to Nielsen Company, at the end of 2010, **forty-five percent of North Americans still expected the recession to last for another year**, and the U.S. jobless rate was the heart of the issue for most Americans. The year closed out with **consumer confidence at 81 points**, just one index point away from its lowest level on record from the first half of 2009.

Ironically, this became the perfect time for Pegasus Community Credit Union to differentiate itself in the auto loan market. They seized a unique opportunity to turn consumer wariness into profit potential through the MPOWER program.

MPOWER is a proprietary, complimentary consumer protection product offering that provides credit unions significant differentiation to get them beyond competing on rate alone. The program:



creates a compelling offer through targeted products and branding;



extends feature rich protection plans to members who finance auto loans with Pegasus; and,



sets the stage for upsell conversion at loan closing.



The Solution:

MPOWER™ + VEHICLE PROTECTION

SWBC and EFG developed MPOWER to give credit union members confidence to make a vehicle purchase or loan decision while decreasing the likelihood of members financing through the dealership. Through MPOWER, Pegasus provided the option to add the following vehicle protection products to their member's auto loans:

This program offers three different levels of protection on some of the most common parts that break down, the engine and transmission as well as 6 months of complimentary vehicle return protection.

MPOWER™ + VEHICLE RETURN PROTECTION

When purchasing vehicle protection, consumers will receive 6 months of vehicle return complimentary. This program allows members to walk away from negative equity when life-changing circumstances arise without damaging their credit.

MPOWER™ + TIRE & WHEEL PROTECTION

Covers damage to tires and wheels when caused by road hazards.

MPOWER™ + PAINTLESS DENT PROTECTION

Protects vehicle investment by offering coverage on dents and ding repair on exterior body panels.



Our Investment Is Secure With Peace Of Mind Coverage.



The Approach:

“At Pegasus, we knew that to truly be competitive in our market, we had to develop a value proposition **beyond APR**,” said Jason Scott, President and CEO, Pegasus Community Credit Union.

“We chose to utilize MPOWER because of its proven impact to drive loan volume while benefitting our members,” said Scott.

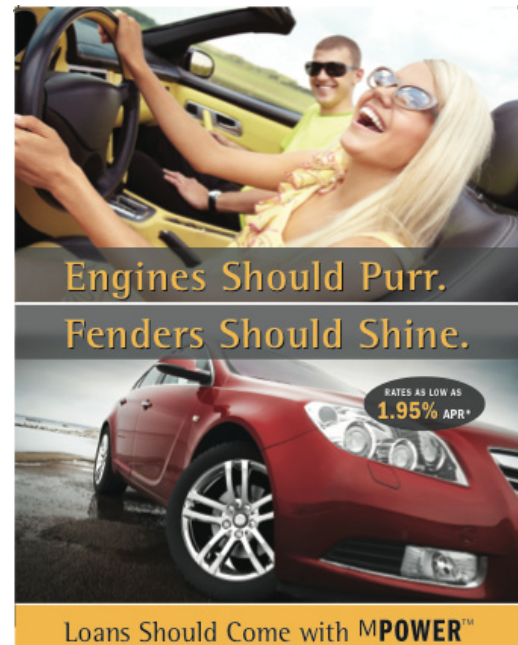
With MPOWER, Pegasus was able to:

Communicate a consistent brand promise enabling Pegasus to drive increased awareness.

Separate itself from the competition by offering more value than reputation and interest rate alone;

Drive Traffic with a compelling offer;

Motivate auto financing as well as speak to a positive financial future by highlighting the quality of loan servicing Pegasus provides as well as their commitment of their members; and,



The Results:

To truly make MPOWER successful, EFG and SWBC **fortified** the product offering with \$20,000 of marketing and sales tools surrounded by custom services designed to enhance market penetration and increase loan volume.

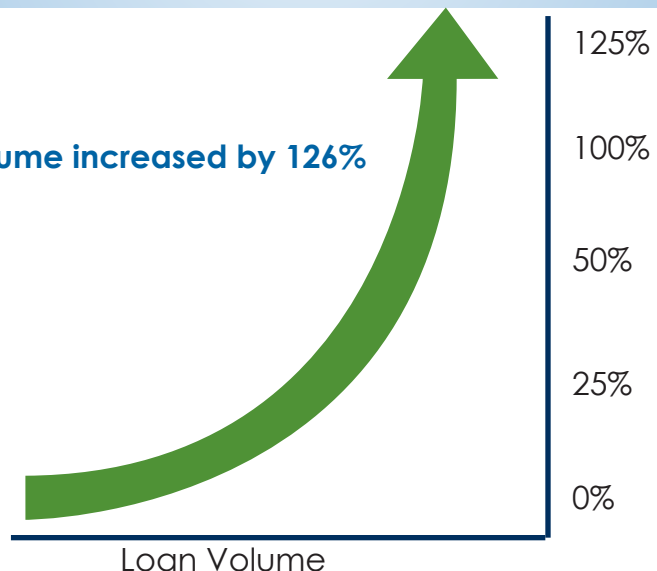
Before developing the unique product mix for Pegasus, the two companies **set the stage for adoption** of the program by conducting primary research on what consumers would find most valuable. Once the products were in place, they conducted an initial assessment and strategy meeting for installation of the marketing materials at launch.

In addition, the companies provided **ongoing content and placement recommendations** for Pegasus' online assets. The on-site installation included an intense comprehensive training program for loan officers and key personnel.

Both EFG and SWBC **remained engaged with Pegasus** during pre-launch and launch. Afterwards, they conducted ongoing, on-site training sessions that addressed product recommendations, responding to concerns and guidance on ways to leverage the program during loan closing and beyond.

With MPOWER in hand, Pegasus increased their loan volume by 126 percent in 2013. Out of 1,461 credit unions that have assets \$100 million and above in the United States, Pegasus is ranked as the number 1 credit union for loan growth.

Loan Volume increased by 126%



The MPOWER ADVANTAGE

MPOWER has proven that creating real value for members drives real results. With bundled products packaged with their loans, credit unions have a better ability to position their auto loans as valuable to their members outside of just APR. This innovative approach:

better equips them to bring in new members; and,

reduces the chance of members being flipped at the dealership.

MPOWER not only empowers consumers to make that big purchase decision, but also credit unions to **retain members after loan closing**, with follow-up messaging and marketing initiatives.

For MPOWER to be beneficial, it had to be surrounded and propelled with specialized services and customized support designed to **sharpen the credit union's competitive edge**. **EFG and SWBC's dedicated client relationship support** made it possible to adequately appropriate the right resources to generate the best result for Pegasus Credit Union.



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