Alliant Credit Union Improves Collections and Member Services With TeleVox’s HouseCalls

**Introduction**
Collections within the credit union industry have become an overwhelming task. In the face of evolving technology, older contact methods such as direct mail and manual dialing are steadily becoming obsolete. Credit unions are beginning to explore new outlets for communication that enable them to reach more members in less time.

Alliant Credit Union, the nation’s eighth largest credit union based on assets, found itself in a similar situation when attempting to recover debt from its members. With only 276 employees to support a base of nearly 200,000 members, these limited resources drove the search for a unique method of member contact. Alliant decided upon automated messaging as the most cost-effective, timely way to improve the collections process.

Automated messaging technology presents a number of features that serve the credit union industry especially well. Customization of messages is key, allowing the technology to adapt to various types of debt recovery. Automated messaging can also go beyond collections into marketing calls, thank you messages and other member services. Credit unions have the ability to manipulate the programming and calling campaigns to meet the needs of a particular department.

**Objective**
Alliant Credit Union sought to contact a broader range of delinquent members, reduce staff time and save money with the aid of automated messaging technology. Alliant also wanted a secure system to deliver immediate notification messages to members in case of an emergency.

**Methods**
TeleVox’s HouseCalls system proved to be the best match for Alliant’s member communication needs. HouseCalls messages are highly customizable, allowing for inclusion of member names, account numbers, loan amounts, phone numbers, etc. Response options further the functionality of the automated calls, including multiple language options, message repeats and call transfers for instant bill payment. At the conclusion of HouseCalls calling campaigns, reports are delivered to Alliant detailing the results. HouseCalls is subscriber-based, meaning that Alliant only pays for calls that are completed. Since TeleVox hosts the system, there was no expensive equipment for Alliant to purchase or maintain.

Since implementing HouseCalls in December 2005, Alliant has found the creation and delivery of calling sessions to be surprisingly hands-off. Once a week, lists of members to be called are extracted from Alliant’s internal software and transmitted to TeleVox via secure FTP server. After developing a script for calls to follow, the credit union can focus on other areas with assurance that those members are being reached.

As part of their strategic collections approach, Alliant decided to utilize automated messaging for its least delinquent accounts. By delivering automated messages to newly delinquent members, past due balances can be resolved before they become problematic. Currently, automated calls are delivered to members who are delinquent in the range of 11-20 days. Before automated messaging, accounts were not contacted this quickly in delinquency. Alliant employs 8 full-time employees who average 12,500 manual calls per month. These employees are dedicated to more long-term delinquencies that require a great deal of member interaction. Dona Svehla, Alliant’s Manager of Collections and Fraud, notes the role of HouseCalls in “quicker contact with and quicker payments by newly delinquent members.”

“We are pleased with the initial results of HouseCalls campaigns in contacting our members.”
Results

With the aid of automated messaging, Alliant has seen outstanding debt steadily decline. Since initial use of HouseCalls in December of 2005, outstanding debt has decreased by 34.1% from $91.6 million at the beginning of January 2006 to $60.3 million at the beginning of April 2006. Debt plummeted 25.3% from $91.6 million to $68.4 million in the first month alone. During Alliant’s first four months of HouseCalls usage, the average debt reduction from one month to the next has been 11.9%.

Alliant also employs HouseCalls to assist in communications surrounding member issues. In one specific instance, Alliant used HouseCalls to quickly inform members about a credit card issue. Normally, the sudden addition of 700 calls to the ongoing collections efforts would require the assistance of other employees not trained for these contacts. HouseCalls eliminated the need for additional manpower.

Benefits

Outside of HouseCalls’ easily measurable results, a number of other benefits have surfaced. Reporting has been an invaluable asset for quick evaluation of campaign effectiveness. The summary report gives an accurate snapshot of how many calls were answered, how many reached answering machines, etc. A second, more detailed report assists manual collectors. If a calling campaign reports an account with an invalid phone number, a warning is placed in Alliant’s system to prevent transactions until a working phone number is provided.

Svehla says the feedback from employees has been extremely positive. HouseCalls contacts newly delinquent accounts, driving collections and minimizing the number of accounts manual collectors will be asked to reconcile down the road. There was initial concern about automated messages not being member-friendly, but members have received all necessary information and been comfortable with the automated distribution channel. Svehla has also been pleased with the caller retention rates associated with HouseCalls. Hang-ups occur on less than 3% of calls.

Opportunities

“We are pleased with the initial results of HouseCalls campaigns in contacting our members,” says Svehla. “The technology presents a seemingly endless number of applications within Alliant and across credit unions of all sizes.”

Current collections efforts only mark the beginning of HouseCalls’ potential within Alliant Credit Union. Debit and credit card fraud scripts have been developed, and those campaigns will be ready to go at a moment’s notice. While present calling campaigns typically concern new and used vehicle loans, Svehla envisions HouseCalls playing a significant role in courtesy pay as well. HouseCalls technology also facilitates an inbound element, in which members who receive answering machine messages are provided with an 800-number and PIN. They will then use that information to call and retrieve the message originally intended for them.

About Alliant Credit Union

Alliant Credit Union is a not-for-profit, independently operated financial cooperative with nearly 200,000 members and almost $4.5 billion in assets, making it the largest credit union in Illinois (and the eighth-largest in the nation based on asset size). As a member-owned financial institution, Alliant exists to foster members’ financial well-being and to serve their best interests. Alliant is headquartered in Chicago and is an Illinois-chartered credit union, and as such, is under the supervision of the Illinois Department of Financial and Professional Regulation. Alliant is an equal housing lender and federally insured by the National Credit Union Share Insurance Fund, which is administered by the National Credit Union Administration, an independent agency of the U.S. Government.

About TeleVox

TeleVox Software, Inc., based in Mobile, AL, is a leading provider of communication solutions. With over 17 years of experience, TeleVox offers a full range of products, including outbound messaging, customer outreach programs, data append services and survey delivery systems. Supported by a state-of-the-art infrastructure, TeleVox solutions resolve time-consuming communication issues associated with customer notifications, appointment reminders and collections efforts and product and service introductions. TeleVox has a worldwide presence in over 15,000 companies and delivers millions of messages weekly via telephone and the Internet.