



Background on Altra Federal Credit Union

Altra Federal Credit Union has made members a fundamental part of its vision since 1931. That focus has seen the credit union grow into a leading financial institution with more than \$2.2 billion in assets and over 125,000 members worldwide.

Why Altra adopted AI-driven lending from Zest AI

Altra is committed to finding more ways to say yes to more members, especially members in low income communities, while remaining efficient in its operations.

Target products & market

AUTO LOANS

Market: Wisconsin, Minnesota, Texas, Tennessee and Colorado

Key Team Members

- MARK TIERNEY, VP OF LENDING
- ANDREW KREBS, CONSUMER LENDING MARKET ANALYST

LOS Provider



ASSETS	AUTO LOANS/YR (#)	MEMBERS/CUSTOMERS	BRANCHES
\$2.2B	12,000	125,000	17

Objectives

Altra was in the process of building a new digital lending platform and was looking to automate more of its auto lending decisions, reducing the amount of human interaction from application to approval.

Its goal of doubling loan volume within 10 years calls for less friction and more digital workflow for employees. Other key goals were to give members better service and say yes more often without adding risk.

Challenge

Altra, which has maintained a fairly manual underwriting process, was finding it difficult to expand its auto loan portfolio through increased approvals.

Altra was also limited in its growth by relying on the simple formulas of FICO that use a couple dozen summary credit variables, which exclude a lot of applicants near its score cutoffs.

Results

Working with Zest, Altra built a new AI-based underwriting model, trained and validated on 50 months of prior loans. The team parsed thousands of raw bureau variables to select nearly 150 that predict delinquencies with far higher accuracy in a fully automated decisioning process. The results were impressive, and far more inclusive:

FINANCIAL RESULTS

22%

increase in approvals with no added risk

\$1.5M

additional profit per annual vintage

OPERATIONAL RESULTS

4X

increase in auto-decisioning rate