



Key Reasons to Offer Leasing

Be a Full-Service Lender

Why should you or your members settle for a partial product offering? Leasing plays a significant role in point of sale auto purchasing. Offering leasing results in more quality loans, loyal members, increase in member growth, and higher average balances.

Incremental Loan Growth

20% - 30% of all new vehicles are leased – when credit union leasing is not offered at point of sale, this is lost business. In addition, due to the legacy loan opportunity at lease-end, there is more at stake than the initial lease.

Member Friendly Lease Process

Credit Union members can complete the entire lease process at the dealership – same easy application as with indirect auto loans, no security deposit or down payment required, 36-60 month terms available, flexible mileage options, Gap coverage on every lease, purchase option at lease-end, and a very fair wear-and-tear policy.

Increase in Efficiency – Approval / Book Ratio

Retain a higher percentage of loan applications approved. Most loan applications today are “shot gunned” (sent simultaneously to several lenders). This lends itself to a very inefficient way of doing business. Leasing however is very different. Unlike conventional auto loans, dealers rarely shot gun lease applications to other lenders. This is due to the fact that lease payments are based on multiple factors and not merely rate.

High Quality Credit

The FICO scores of lease applicants are generally much higher than those of conventional loans. The average FICO scores generated by CU Xpress Lease portfolios are over 750.

Solid Interest Margin

With a higher average balance inherent in leasing, a higher interest margin is achieved. Combined with the high credit scores of typical lessees and the efficiencies of lease booking ratios, leasing can supply a very positive return on investment while providing incremental loan growth.

Built-in Loan Growth

Lease end provides a great opportunity for new leases and loans on maturing leases. Many members will choose to lease a new vehicle while other members will choose to purchase their current leased vehicle at lease-end. The credit union will have the first opportunity to provide seamless financing for these transactions.

Quicker Turn

Typical car loans and mortgages are for much longer terms and can be more speculative while turning leases every three years provides quicker return, contained risks, and brings customers back into the market sooner for another loan or lease.

For additional information go to www.cuxpresslease.com