



# Using Data to Better Lives

Over the past few months there has been a rising amount of fear, uncertainty, and doubt over the spread of COVID-19 and the impact that it will have on society- not just from a medical perspective but from a financial perspective. In addition to medical and financial strain, many are also experiencing emotional and physiological challenges.

As bankers, we have a fiduciary duty to proactively help our customers strive to be financially stronger. We can help alleviate the emotional and psychological stress finances can have, especially in trying times such as we are living in. As with most data initiatives, the data is an excellent way of identifying at risk individuals and measuring effectiveness of programs put in place. It, however, is critical, for financial institutions to develop well thought out programs.

Below are a few of the ways our team has identified where the data you have can be leveraged to help your customers.

**Note:** MX wanted to provide you with some potential messaging to help the marketing teams. It is meant to help ideate on what could work for your institution. These are not meant to be copy and pasted into your marketing materials.



## Impact of Lost or Reduced Income

Many customers are impacted financially by the Coronavirus due to either loss of employment or reduction in employment through reduced hours. Leveraging the transactional data, analysts can identify which recurring expenses customers typically have in a given month as well as the income received in the same period of time. When combined, an income to expense ratio can be derived. Through programatically monitoring this ratio, customers whose income may have declined can be identified and models can predict customers who are at risk of not being able to meet their expense obligations.

### Data Insights:

- Low income to predicted expenses ratio
- Identify customers with loss of income
- Identify customers with loss of income with a mortgage

### Potential Messaging:

- In difficult times we realize that many of our customers face financial hardships. We are here to help with your financial situation, whatever it may be. If you are experiencing a financial hardship such as loss of income, or reduction in income, please reach out to one of our representatives. We are here to help.

### For Mortgage Customers:

Thank you for being a valued customer. In difficult times we realize that many of our customers face financial hardships. We are here to help with your financial situation, whatever it may be. If you encounter a financial hardship that impacts your ability to pay your mortgage, know there are options available to you. Please reach out to one of our representatives. We are here to help.

[This may be a good opportunity to have one of your call center representatives reach out directly to customers and use a similar script as above.](#)

### Possible Call-to-Actions (use data to identify which Call-to-Action is the most appropriate):

- Apply for short term loans
- Increase line of credit on credit cards
- Deferment of loan payments
- HELOCs
- Mortgage payment deferment
- Federal mortgage assistance programs



## Predatory Lending Identification

When financial hardship occurs many feel that many traditional forms of credit don't apply to their situation. Unfortunately, they may turn to predatory lenders with incredibly high interest rates. In most cases, this worsens the situation. Many of these individuals are not aware that their financial institution has options, at much more favorable rates, that can really help them in a short term situation. Rather than digging themselves into a deeper hole they can focus on getting the financial relief they need with a path to financial stability.

### Data Insights:

- Using Payday Lending
- Using Predatory Loans

### Potential Messaging:

In difficult times we realize that many of our customers face financial hardships. We are here to help with your financial situation, whatever it may be. If you are experiencing a financial hardship such as loss of income, or reduction in income, please reach out to one of our representatives. We have several options, regardless of your credit history. We are here to help.

In hard financial times there are many predatory lenders in the market offering incredibly high interest rates and making it seem like these high interest loans are your only option. Please be aware we can help. As your partner in your financial journey we have put together programs to assist our customers by offering them more attractive rates for short term loans. In the end, you pay less interest. If you already have a loan with one of these lenders, we can still help you. Please reach out to one of our representatives to see if you qualify for one of these programs.

### Possible Actions:

- Apply for short term line of credit
- Long term personal loans
- Increase line of credit on credit cards





## Low Checking and Savings

Unfortunately crisis situations can be among the most devastating to our financial lives. Many times one is hit with increased medical bills while at the same time suffering lost or declined income. The unpredicted swing can take a typically healthy bank account and drive it to a perilously low state. Leveraging the account data MX can help Financial Institutions identify customers who are in dire need of immediate help.

### **Data Insights:**

- Low account balances
- Using overdraft

### **Potential Messaging:**

In difficult times we realize that many of our customers face financial hardships. We are here to help with your financial situation, whatever it may be. If you are experiencing a financial hardship such as loss of income, or reduction in income, please reach out to one of our representatives. We are here to help.

While we strongly advocate positive account balance, your account does have overdraft protection to guard against unforeseen circumstances where your accounts may go negative. Under normal circumstances, there are fees associated with overdraft protection. However, for a limited time we are waiving those fees.

Please contact us and we can work with you to get your account and your financial picture back on track.

### **Possible Actions:**

- Apply for short term line of credit





## Increased Credit Card Balances

When cash balances get low many people are forced to turn to credit. Due to the ease of access, credit cards are typically the first place people in financial hardship turn to. Financial institutions can leverage data to identify customers whose account balances abnormally spike. If this occurs on a third party account there may be opportunities to offer customers lower rate credit card offers with balance transfers.

### **Data Insights:**

- Higher account balances
- High Interest Rate Cards

### **Potential Messaging:**

In difficult times we realize that many of our customers face financial hardships. We are here to help with your financial situation, whatever it may be. If you are experiencing a financial hardship such as loss of income, or reduction in income, please reach out to one of our representatives. We are here to help.

During these times many people turn to credit card debt. Unfortunately, in many cases credit card debt is expensive due to high interest rates. For a limited time, we are offering introductory offers with [low interest rates]. These rates are designed to help you cover emergencies and other unplanned expenses. In conjunction with this offer, we are also offering balance transfers at [low interest rates] for the next 120-days.

Please contact us and we can work with you to get your account and your financial picture back on track.

### **Possible Actions:**

- Offer lower rate credit card
- Offer low rates for balance transfer



## Increased Late Fees

When expenses increase and income decreases the obvious happens, people struggle to meet their debt obligations. This results in late fees. Analysis of the financial data financial institutions can identify customer who are struggling to meet their financial obligations.

### **Data Insights:**

- Late fees

### **Potential Messaging:**

In difficult times we realize that many of our customers face financial hardships. We are here to help with your financial situation, whatever it may be. If you are experiencing a financial hardship such as loss of income, or reduction in income, please reach out to one of our representatives. We are here to help.

### **Possible Actions:**

- Offer lower rate credit card
- Offer low rates for balance transfer
- Interest deferment
- Deferred payments to avoid late fees
- Overdraft protection (waived fees)





## Student Loan Forbearance

In financial emergencies many individuals who have large payments going to student loans may be able to get a forbearance depending on their history and term left on the loan. Forbearance may be a sound idea for customers experiencing short term financial hardship. Using the data financial institutions can identify these customers and reach out with options.

### Data Insights:

- Identify customers with large amounts of of student loans
- Identify customers who have missed payments
- Identify best ways to reallocate student loan payments

### Potential Messaging:

- In difficult times we realize that many of our customers may have student loans and are facing financial hardships. We are here to help with your financial situation, whatever it may be. If you are experiencing a financial hardship such as loss of income, or reduction in income, please reach out to one of our representatives. We are here to help.

### Potential Actions:

- Offer potential actions to reallocate student loan payment (i e., reallocate student loan payment to payoff high interest credit)
- Debt consolidation to a lower payment

Of course, these are just a few of many many possible solutions. However, MX is committed to making the world financially strong. That mission is never more important than in times of crisis. We are here to help in any way possible. We are enabling our Customer Strategy Consultants to help you identify specific use cases to your Financial Institution. We have engineering resources behind the scenes to help with any data pulls you may need help with. Please work with your Customer Strategy Consultant and let us know how we can help.

We are in this together!

