



Making Customer  
Connections™

## Conversion Program Yields Huge Savings

Payment Book Solution Exceeds Credit Union Objectives



**ESL Federal Credit Union satisfies members while cutting annual expenses more than \$300,000 by converting loan statements to payment books with NCP Solutions.**

### Profile

ESL Federal Credit Union was chartered in 1920 as Eastman Savings and Loan Association by George Eastman, founder of Eastman Kodak Company. Having operated much like a credit union throughout its history, Eastman Savings and Loan changed its charter in 1996 and became ESL Federal Credit Union. Today, ESL is one of the largest and strongest credit unions in the country.

### Challenge

ESL Federal Credit Union prides itself on serving its members with the best possible products and services. When many of its members began asking to receive loan payment information in the form of payment books rather than monthly statements, ESL decided to investigate how best to meet this member need.

A critical element of the process was to lower the total cost of loan payment billing while simultaneously improving member satisfaction. ESL was spending nearly \$5.50 per loan per year to deliver member statements, so an objective was set to reduce its costs to \$2.25 per life of loan.

Case Study



*“The hardest part of this project was the investigative work in preparation for the RFP process. Once we selected NCP Solutions, everything else was easy.”*

*-Joan Thompson  
Loan Process Manager  
ESL Federal Credit Union*



## Solution

After assessing responses from qualified industry providers, ESL selected NCP Solutions to execute a statement-to-payment book conversion program. According to Joan Thompson - Loan Process Manager, *“I had spoken to a colleague from another credit union that was using NCP Solutions and was very satisfied. We were quite impressed with their response to our RFP and with their on-site presentation by knowledgeable professionals. Their references were impeccable and included many of the top financial institutions in the country.”*

ESL converted all fixed rate and fixed term consumer loan customers from monthly billing statements to payment books. With payment books, loan customers are able to select their payment date, resulting in a better distribution of payment processing throughout the month and a more balanced cash flow. Members on extended travel can simply take their payment books with them, removing concern about timely receipt of statements. Members also find the change of address coupon an added convenience. According to Thompson, *“It’s easy for members to complete the form and include it with their payment. This process has helped ESL to maintain more accurate member information. Overall, our communication has become much more user-friendly, and we are looking for ways to get even better.”*

ESL also takes advantage of payment book inserts to promote products such as AutoSweep, an automatic payment option. Marketing messages are included on every remittance coupon, a capability ESL did not have with its previous statements. This allows the credit union to increase member awareness of its complete range of products and services.

## Results

The switch from statements to payment books has made life easier for both ESL Federal Credit Union and its members. Not only was the member response overwhelmingly positive, the credit union was able to streamline the process of providing payment notices to members and garner savings in excess of \$1 million over three years. In fact, ESL exceeded its savings target by reducing the cost per life of loan by an additional 25% beyond the stated objective.

Thompson reports the conversion from statements to payment books was simple and efficient. *“Our overall conversion experience with NCP Solutions was great,”* she says. *“NCP staff took on a lot of the conversion issues. They contacted the lockbox provider directly to make sure the remittance coupons and MICR encoding were compatible with the lockbox machines. They did all of the necessary testing on their own; all I had to do was provide contact names. They also offered guidance on how and when to alert our members to the change. I don’t think it would have gone as smoothly with anyone else.”*