



Using AI To Optimize Lending Without Losing the Human Touch



Marine Credit Union

Our Speaker



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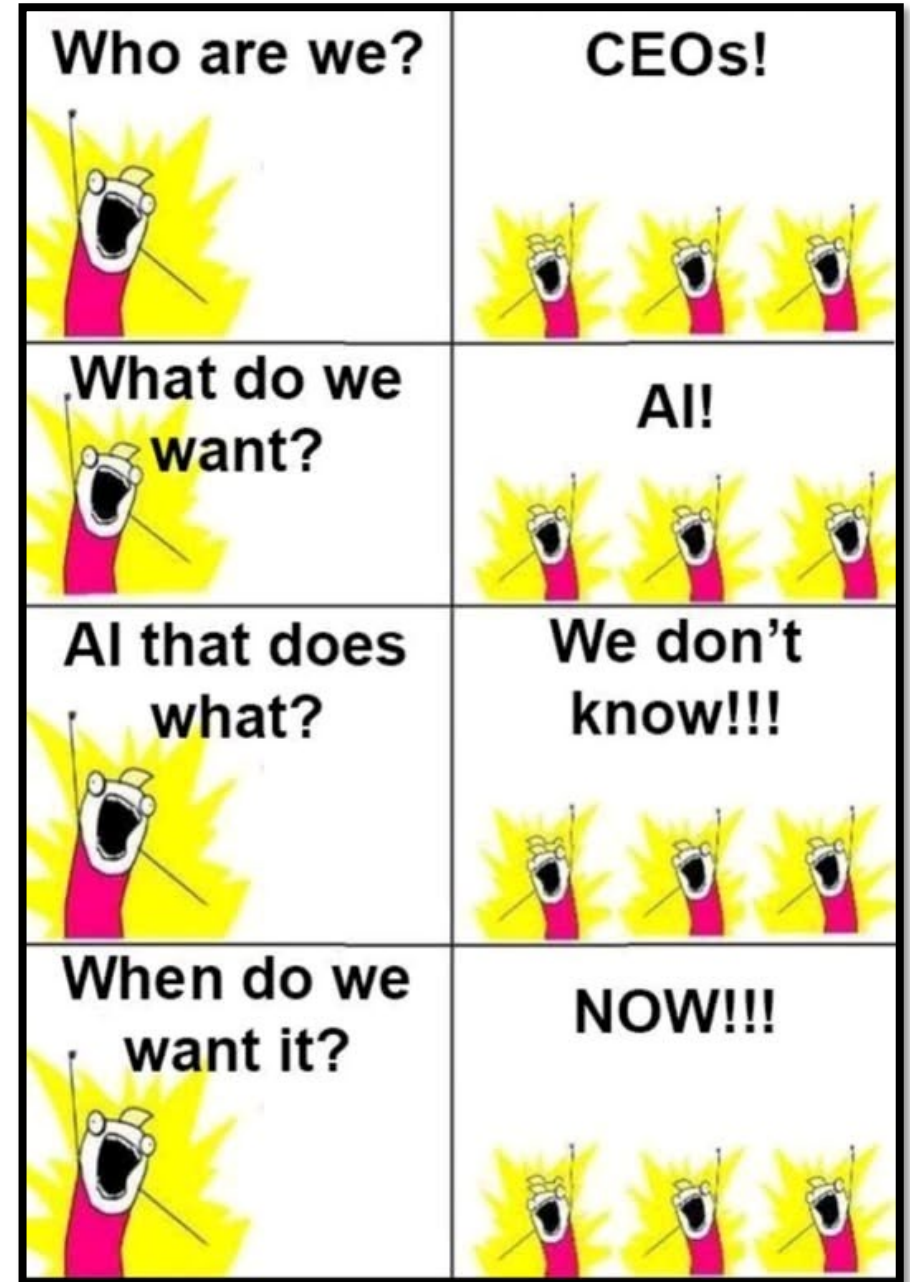
Our Mission



We are on a mission to advance the lives of people from a place of financial need to a life of ownership and giving back in our communities.

Yay, AI!!!

But what are we really trying to accomplish?



MONEY

LEARN

RESOURCES

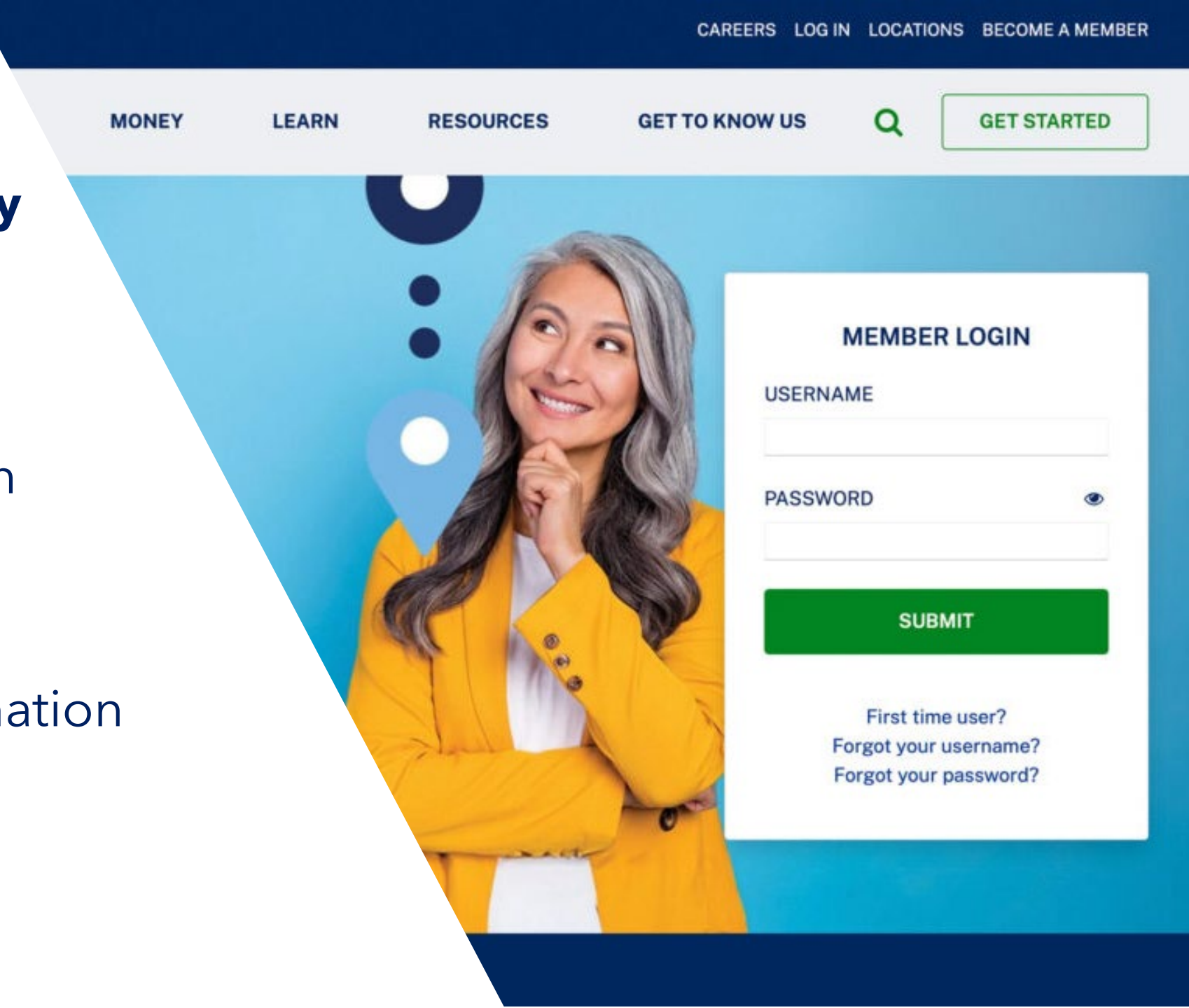
GET TO KNOW US



GET STARTED

Challenge = Opportunity

- Revenue Growth
- Efficiency
- Member Satisfaction
- Scalability
- Faster Decisioning
- Better use of Automation



The Strategy & Process

- **Clearly define** the problem(s) you're trying to solve – where do people add the most value and where does AI add the most value?
 - UW turn times
 - Consistent decision making
 - Contact Center call times / availability
 - Member Service / Ease of access to answers
- Involve the **right stakeholders**
- Set **reasonable expectations**
 - Efficiency / OpEx impact
 - Integration
 - AI allows people to be better at their job and provide better service. It doesn't replace them.
- **Humanize** AI – Sophie, Marci, Aimee

Experience Driven Decisions

- Member expectations are changing
 - **Responsiveness is key**
 - Decisions in **minutes, not hours**
- Manual review = taking the time to understand the member's circumstances
 - *Results: happier, more engaged employees...despite some initial skepticism*
- AI needs to **handle "easy" approvals and declines**, freeing our employees to work on applications where their expertise adds value
- AI help with **removing monotonous tasks** that don't add value

Inside Implementation

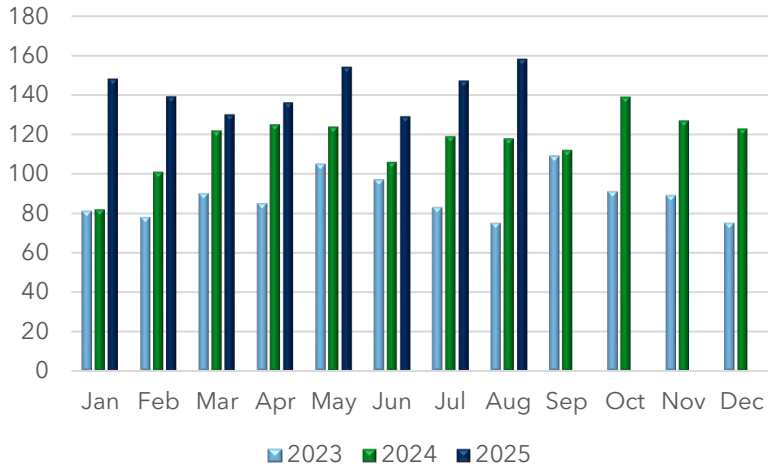
- **Implement and Iterate**
- **Thoroughly explain the why and gain buy-in**
 - Allow for flexibility and overrides early on
- **Ten-month process** for launch and **six months of decision reviews**
 - Set your tolerance levels
- **20% auto-decisioning** at launch > **25% > 40% > 60%.**
 - Current averages are 34% approvals and 22% declines

We found the trade-off was worth it

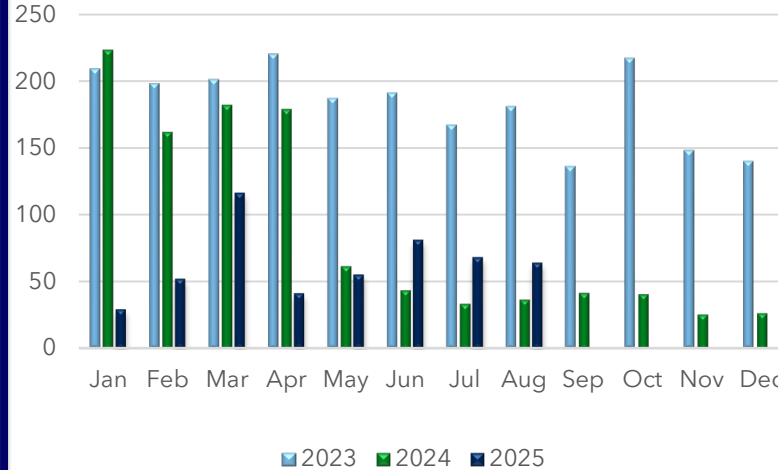
- ✓ Time savings
- ✓ Member & Employee Experience
- ✓ Improving productivity

Marci - Phone System AI

Marci Transactions

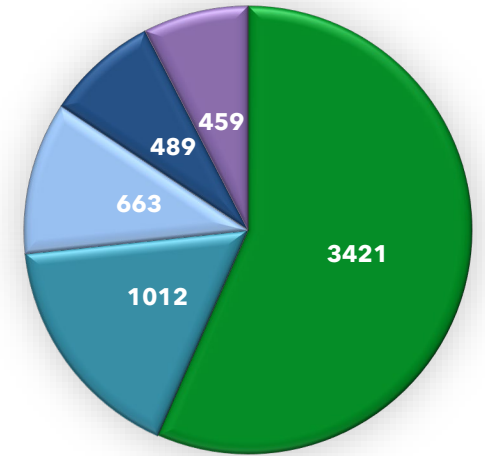


Marci Callbacks



Top Marci Requests

- Check Balance
- Loan Payment
- General Information
- Loan Information
- Branch information



What can Marci do?

- Available 24/7 for members
- Loan due date & payment amount
- Provide Overdraft Tolerance Amount
- Send link for new account opening
- Direct transfer to correct department for loan applications (or send link to apply online)
- Take payments
- Standard Banking Questions
- Typical Banking Transactions

How much is Marci doing?

On average, Marci handles 2,600 calls a month that are *not transferred* to the Contact Center

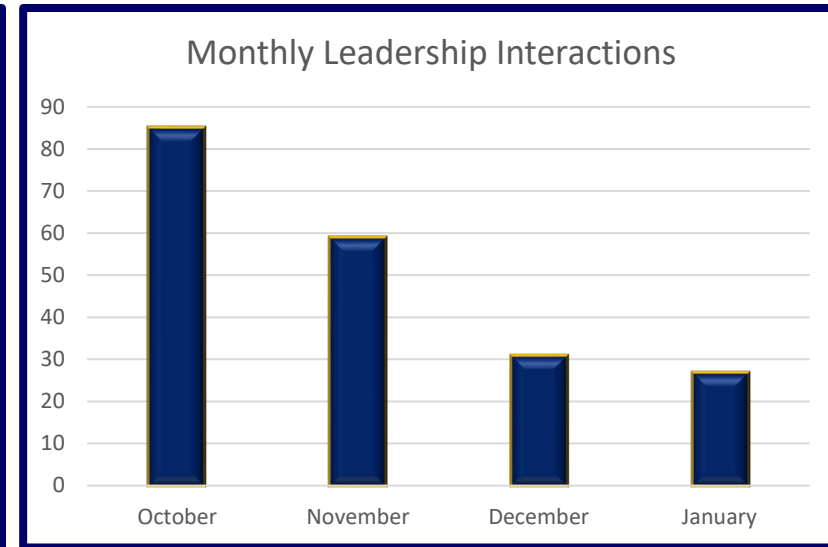
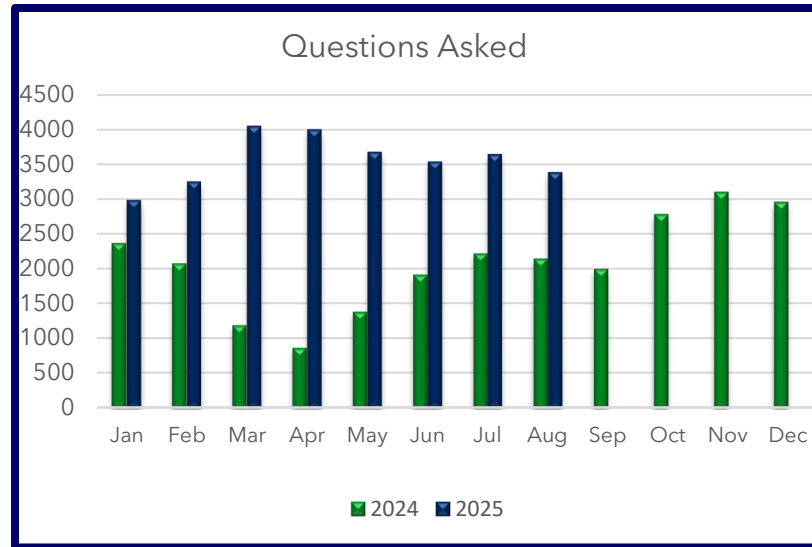
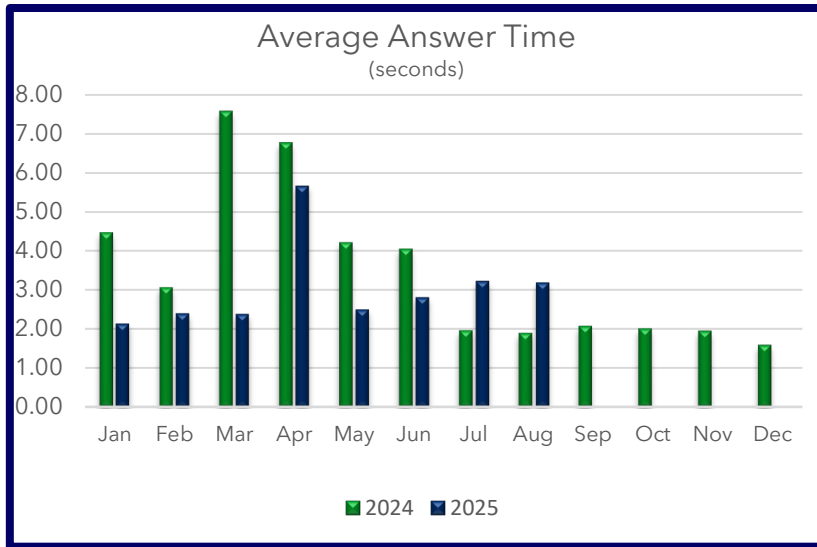
Full Time Contact Center Specialists average 791 calls per month

This makes Marci worth

3.3

Full Time specialists

Aimee - AI Knowledge Bank resource for all member inquiries



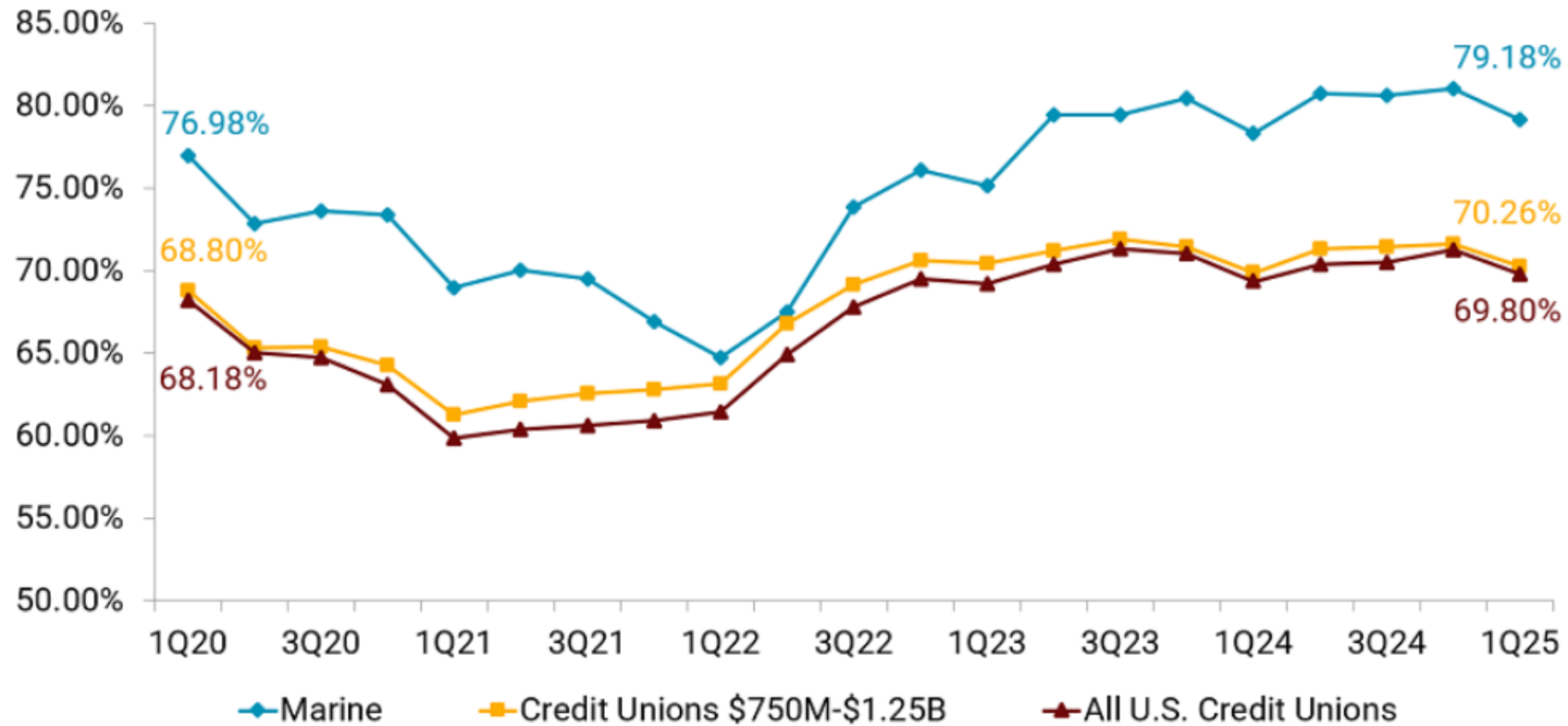
Aimee Overview

- Easy to use resource for any member inquiry
- Always learning and improving based on experiences
- Updates are made daily to allow current information to be available for users
- Answers in 3-4 seconds
- More efficient and consistent member and employee experience
- Allows users to type or speak questions
- Recognizes and responds in multiple languages
- Allows the user to get quicker answers
- Creates confidence in call ownership for the user
- Allows the Leadership Team to focus on other tasks

The Results

- AI has enabled **strong growth in our Consumer Lending**
 - Consumer loan participations sales in '24 & '25
- Increased **production** and **productivity**
 - 118% increase in Consumer Loan Officer production since 2020
 - Improved Look to Book ratios
 - 2025 Loan Production - 35k applications and 11k direct loans originated
- **Yield and net interest margin have been strong**
 - Risk-based pricing has allowed us to take on the right riskier profiles while pricing them accordingly
- AI helped us **scale, improve profitability, and make good decisions** without adding excessive risk

LOANS TO ASSETS **FOR U.S. CREDIT UNIONS** SOURCE: **CALLAHAN & ASSOCIATES**



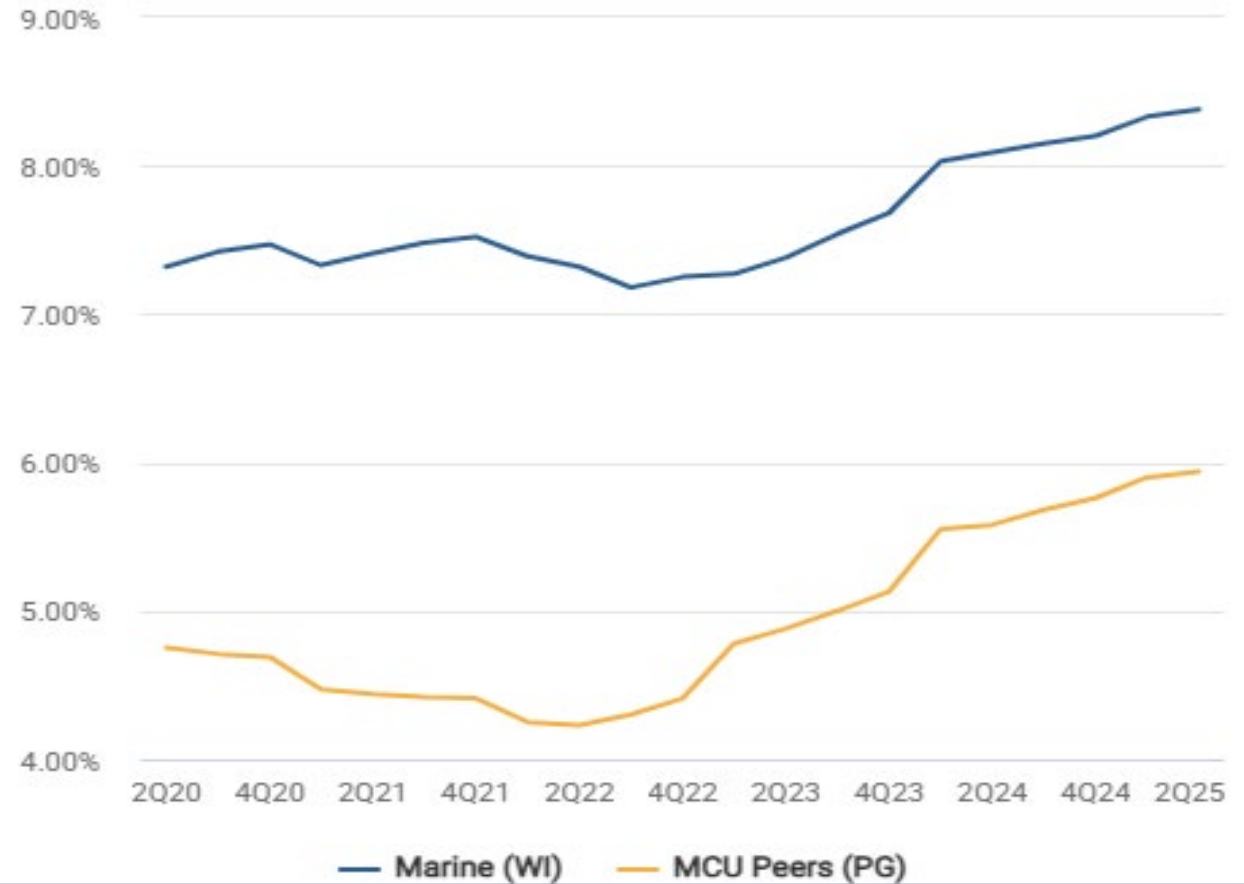
Marine Credit Union has lent at a higher rate than its peer group and all credit unions since 2020. From the first quarter of 2022 to the first quarter of 2025, it has increased its loan portfolio as a percentage of assets faster than its peers.

The Results:

Strong Loan Portfolio Yield

- Currently 8.87%

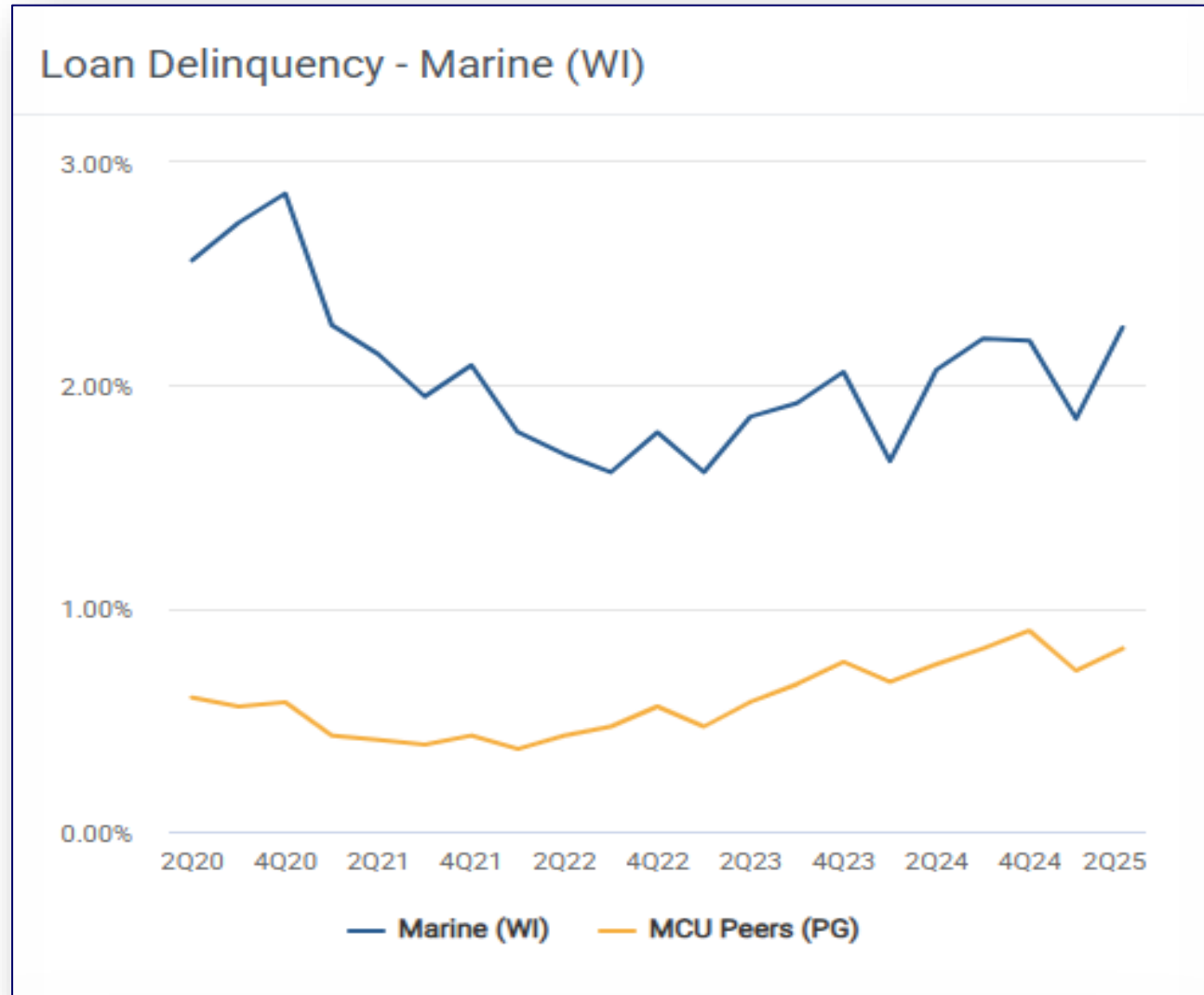
Yield on Loans (Including Loans Held-for-Sale) -
Marine (WI)



The Results:

Consistent Loan Delinquency

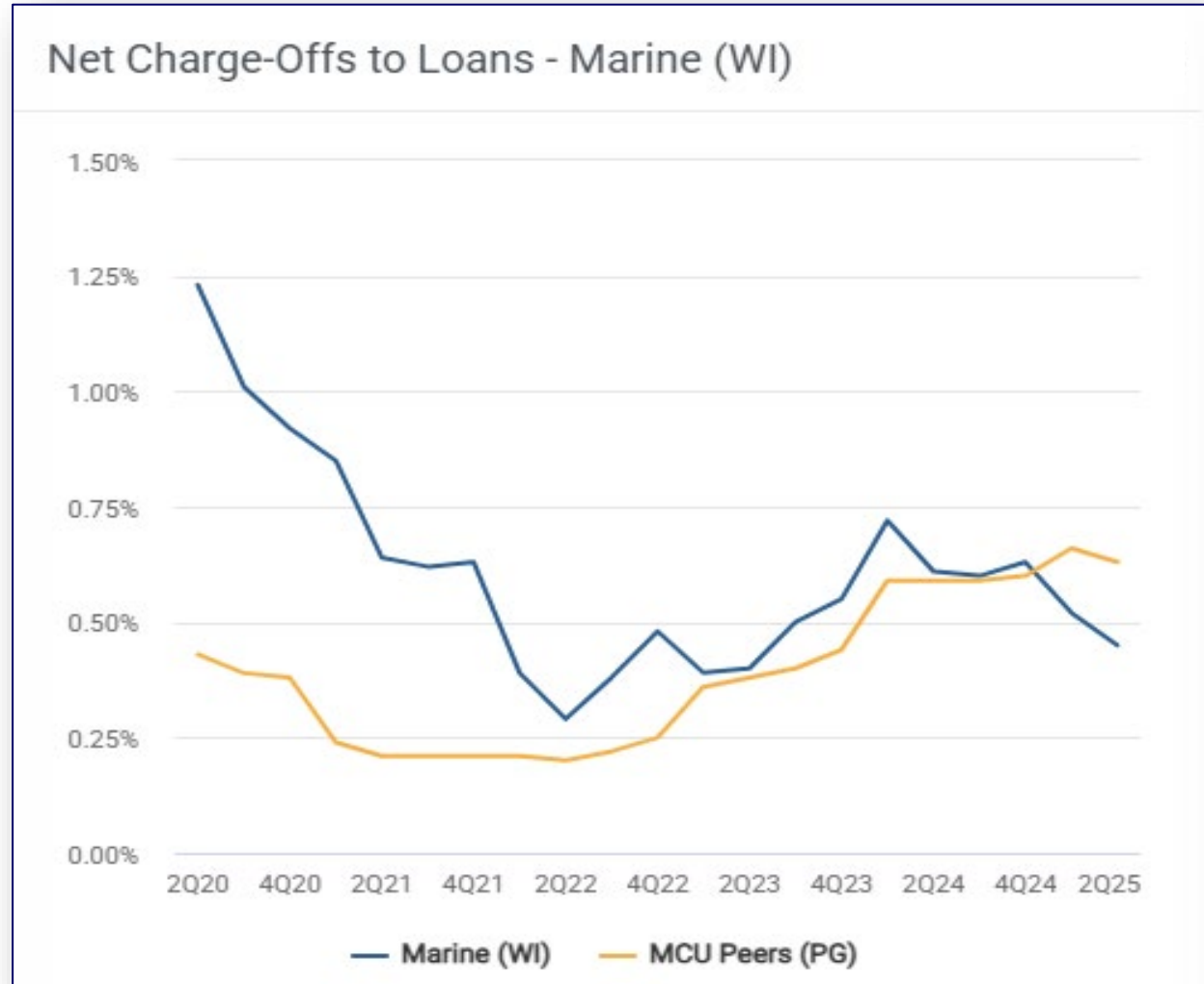
- Down from pre-AI implementation



The Results:

Net Charge Off down from pre-AI implementation and favorable to peer despite the risk model and delinquency

- Q2 '25 Charge Off of 0.45% compared to peer at 0.63%



Maintain Controls

- AI helps us keep our Consumer Delinquency and Charge-offs in check
- Implementing AI in Consumer Lending is **not a set-it-and-forget-it initiative**
- Monthly underwriting summit to review results:
 - Auto-decisioned loans
 - Manual reviews
 - Look to Book rates
 - Comparison of default rates for auto-decisions to manual decisions

Future Plans

We are comfortable with the model but continue to **challenge assumptions** and look for ways to **keep improving it.**

We plan to **build a model for mortgage loans** as well likely starting **at 20% auto-decisioning for mortgage**



Best Practices

- ✓ Don't rush, but start somewhere
- ✓ Decide what **you** need
- ✓ Find the **right** partner for **you**
- ✓ Make your reference calls
- ✓ Be honest about your internal abilities
- ✓ Understand the **true ROI** and **don't be oversold**
- ✓ Learn about what others are doing and **what is working**

Q&A Discussion

THANK YOU FOR WATCHING



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