



HOW TO CREATE A 2ND CHANCE AUTO LOAN PROGRAM



Wright-Patt Credit Union



Our Speakers



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About Wright-Patt Credit Union

- Beavercreek, OH
- Approx. \$9.07B in assets
- Over 521,000 members
- 1,387 FTEs
- 39 branches



The Challenge/Opportunity

- Across the country, **credit- and income-challenged members** need help getting behind the wheel of a car so they can get to work.
- For more than five years, Wright-Patt Credit Union has had a second-chance auto loan program to **help members buy a car**, even when they don't qualify via traditional underwriting.
- Wheels For Work launched in 2019 and unlike some second-chance auto loan programs, **it is not priced differently** from the rest of our auto loans.
- The loan program does, however, **include coaching to educate participants** about the ins and outs of borrowing and budgeting.

How it Works – A One-on-One Approach

- The focus is on educating our members on all aspects of the auto loan process.
- Borrowers are paired with one of three **Wheels For Work specialists** to build a **one-on-one relationship** from application to education, funding to pay off.
- The majority of borrowers fall into the “second chance” bucket; however, some are younger borrowers who are inexperienced with credit. **Regardless, all receive the same education.**
- The **education angle is one of the defining components** of the program’s success.

Dedicated Specialists throughout the Entire Process

- We rolled out Wheels For Work with **just one dedicated specialist**.
- Over time, that **team has grown to include three people** who all work closely with borrowers throughout the lending process — including into collections when necessary.
- That kind of rapport requires a **special kind of employee**.

The Ins & Outs of Wheels for Work

- For this alternative lending program, we take an alternative marketing approach.
- First, we **evaluate all loan applicants through traditional underwriting** criteria
- To date, the program only applies to direct loans.
- New or pre-owned vehicles
- Maximum amount financed: \$36,000
- CarFax Report is required for each unit.

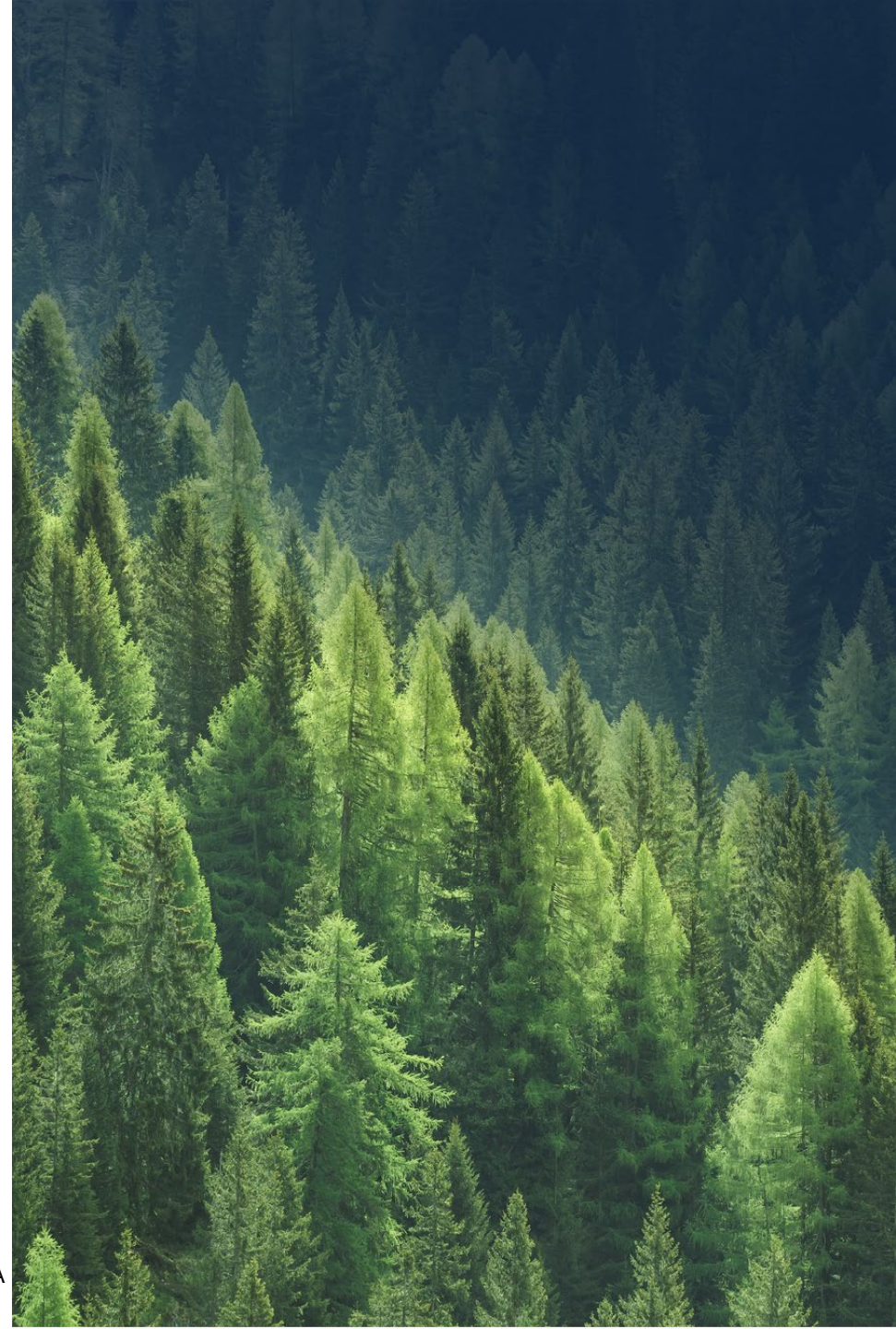
The Ins & Outs of Wheels for Work (continued)

- We're fortunate that we're able to offer **extended warranty coverage**.
- A Wheels For Work loan takes **slightly longer than a traditional loan to process**
- However, it isn't an extended timeline, and **most members don't mind if the process takes a little bit longer**.
- The credit union is often **willing to accommodate a bit more risk if specialists understand the bigger picture**.
- Wheels 4 Work Specialists work hard to understand borrowers' past credit mistakes to evaluate risk.

Results to Date & Advice for Others

- To date, the Wheels 4 Work program has helped 3,150 members with credit challenges get to work with a new or used vehicle.
- Car loans comprise approximately 36% of our total portfolio, with balances at \$590.9 million at the end of the third quarter of 2024.
- Wheels For Work loans comprised only 0.6% of total originations in 2024 but represent about **5% of the total direct auto loan portfolio**.
- Overall loan delinquencies were 1.05% at the end of the first quarter of 2025. Wheels For Work delinquencies were closer to 2.58%. But put another way, **almost 98 out of 100 second-chance auto loans are doing just fine**.
- We have implemented **a variety of changes** since the program's inception to provide stronger guardrails.
- We all face things in our lives where we remember who was there for us when we needed them. That's what we're seeing — **the loyalty factor of being there for these members when no one else is**. And you can't measure that in dollars.

Q&A Discussion Period



THANK YOU FOR WATCHING



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