

Initial Line Assignment & Credit Line Increase Policies

A regional credit union in the US approached 2OS to aid in the implementation of its new Initial Line Assignment (ILA) and Credit Line Increase (CLI) policies. Through an initial diagnostic and an analytic deep-dive, 2OS developed new initial lines and CLI strategy to improve member engagement and profits.

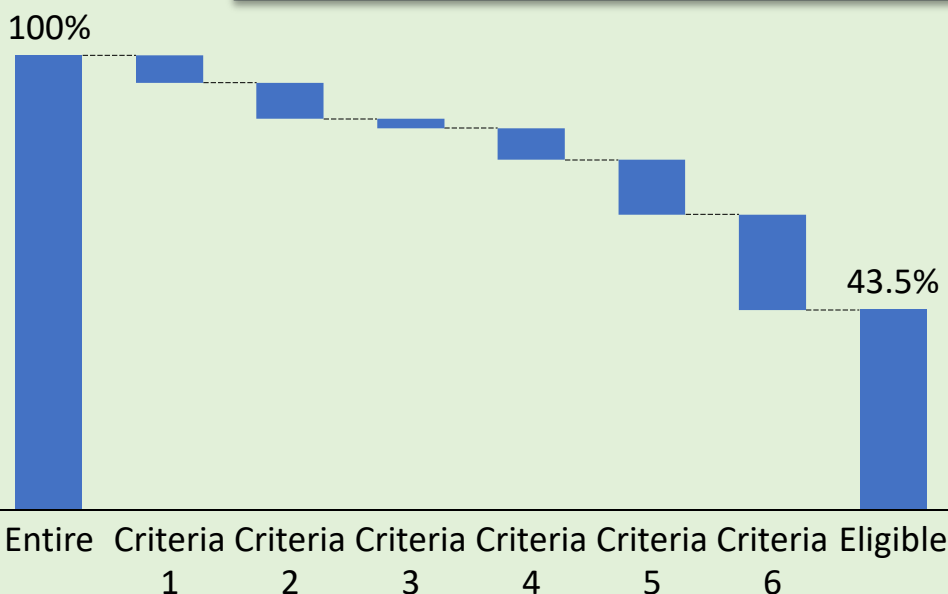
Initial Line Assignment

After analysis, 2OS recognized that the client's portfolio offered much lower lines compared to both the industry average and optimal performance. Using FICO and residual income metrics, 2OS segmented the population and created an optimal ILA policy for the client. This policy would be utilized both for new members and to bring current members to optimal line amounts.

Credit Line Increase

Using insights garnered from our client's data, the experts at 2OS established a CLI policy to continuously meet member needs while limiting risk. 2OS recommended a 2-part CLI policy with eligibility criteria to eliminate the riskiest members. The policy included a low-and-grow and proactive line increase strategy to grow members who have exhibited good payment behavior.

CLI Eligibility Impact



After applying the eligibility criteria to the client's portfolio, **43.5%** of the population qualified for a CLI. This highlights that the portfolio is currently being offered much lower lines compared to the optimal strategy.