



# Success Story Skip-A-Pay Promotion

## Happy Members = Valuable Fee Income

A Skip-A-Pay Promotion is viewed by members as a great way to have extra cash and it:

- Provides a valued service to your members at a perfect time of year
- Earns fee income that covers the cost of processing the loan extension
- Earns additional interest income for the month of the skip
- LemmonTree makes sure the targeted promotion go out on time, in budget, and with tracking of results

**The Recommendation:** A natural win/win is the Skip-a-pay promotion. Key is to charge for the option and target closed-end loans with at least \$500 or a minimum balance still left. Some of our clients had not offered payment skips to members at a fee. We have shown that members truly value the offer and the credit union gains in two ways; fees and interest income. Some clients do \$20, other \$25 for regular loans and \$50 for home equity loans.

**The Solution:** LemmonTree Marketing provided a direct mail letter option with a fee for 2006 November or December skips on collateralized loans.

**The Goal:** 15-17% response rate

**ACTUAL:** 17-27% response rate

CU Asset Size (millions)	Member Loans in Mailing	Marketing Costs	# to recover Mktg Costs *	Actual Responses	Fee Income*	Estimated Loan Interest Income**	Estimated Marketing ROI
A - \$80	2,417	\$3,004	120	531	\$13,575	\$20,533	\$11.25
B - \$250	5,525	\$5,681	284	1,509	\$30,180	\$81,737	\$19.70
C - \$440	6,677	\$6,437	258	1,146	\$41,000	\$98,800	\$21.71

\*A at \$25 per skip, B at \$20 fee, and C at \$30 fee \*\*Estimated from balances of loans and a weighted average rate or using an average loan balance of \$10,000 at a rate of 6.5% as an estimated blended rate.



Skip-a-Pay promotions are great win/wins, so use them at the holidays and for summer vacations!



**LEMMONTREE** Call us to help you make the  
MARKETING GROUP most of your marketing dollars.

Call 888-536-6243 or visit [LemmonTree.com](http://LemmonTree.com)!

**We Marketing**  
**You'll The Results**