

# How PenFed Credit Union Increased Loan Volume by 128% Using Encompass and Velocify by ICE

May 2022



## Company profile

- PenFed® Credit Union
- Tysons, VA
- 2.7M members
- \$35B in assets
- Retail and Consumer Direct channels

## Challenge

Increase conversions and improve communications with borrowers to accelerate growth

## Results

- Increased mortgage volumes by 128% in one year
- Moved from unranked in 2019 to the 44th largest U.S. mortgage originator in 2021
- Moved from 136th in VA loans in 2019 to the 26th largest U.S. VA lender in 2021
- Moved from unranked in 2019 to the fourth largest home equity lender in 2021
- Increased scalability, productivity, and member satisfaction

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## The challenge

When PenFed Credit Union was founded in 1935, it was headquartered in the Pentagon, dedicated to serving the active military personnel, veterans, and Department of Defense employees who made up its member base. Although PenFed's charter has expanded to include non-veterans, it continues to operate with military precision—continually seeking out ways to ensure it provides the best experience possible to its members.

That's why this long-time Encompass® user started looking for a better lead management solution to automate sales and borrower engagement in 2019. At the time, PenFed was leveraging its customer relationship management (CRM) tool for these tasks, which lacked the core capabilities to deliver.

"Leads are very finite in terms of their lifecycle, with a quick start and a quick ending," explained Jerad Bjugstad, Senior Director of Demand Generation at PenFed Credit Union. "When prospects say they're interested in a mortgage opportunity, you have to act fast to engage with that person and let them know why they should go with your company. While our CRM system was a good tool for managing customer relationships, it didn't have the core components we needed for effective lead management."

When PenFed leaders saw Velocify® by ICE Mortgage Technology™, they knew they found the solution that the credit union needed—from its powerful sales automation to its flexibility and ease of use.

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## The solution

"We loved the fact that Velocify had all the functionality and speed to market we needed, and the fact that it was tightly integrated with Encompass," Bjugstad said. "It was super easy to use and configure, so, we had the ability to make changes quickly. That's very different than working with a CRM system, which sometimes requires development work just to get to simple lead management capabilities."

Within weeks of implementation, PenFed began using Velocify to deliver automated, personalized text and email communications to current and prospective borrowers alike.

“One of our first initiatives, even before we started using the system from a lead management perspective, was to create loan status emails for our existing borrowers,” said Emmitt Hero, Senior Manager of Lead Strategy at PenFed Credit Union. “When loans would hit specific milestones in Encompass, Velocify automatically fired off status emails and text messages to the borrowers. So, they always knew where their loan was in the process, allowing us to deliver an improved borrower experience.”

Next, the team focused on prospective borrowers, and set up a multi-touch engagement workflow that began as soon as they completed their online applications and hit “submit.”

“Because our point-of-sale system is integrated with Encompass, as soon as a prospect submits that application, it shows up in Encompass. We can capture that information, identify if it’s a complete or incomplete application, and because of the integration with Velocify, get that prospect information to a loan officer to keep things moving,” Bjugstad explained.

At the same time, Velocify sends an introductory email from the appropriate loan officer, with his or her contact information.

“We have a communications cadence that we follow to make sure we’re constantly in front of that prospect, letting them know that we want their business, how we can help them, and where their application is in the process,” Hero said. “We’re leveraging Velocify to give them a good experience from the first contact through the time the loan is closed.”

**“The fact that we could quickly respond to interested consumers, and keep them engaged throughout the loan process, was a key component of our growth.”**

**Jerad Bjugstad**  
Senior Director of Demand Generation  
PenFed Credit Union

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## The results

Since implementing Velocify, PenFed Credit Union has realized some impressive results.

### Increased loan volume

In 2021, PenFed’s mortgage division originated \$18.9B in loans, which represents a 128% annual growth over the previous year.

This lender went from:

- Unranked in mortgage volume in 2019 to the 44th largest mortgage originator in the nation by the end of 2021
- Ranked 136th in VA loans in 2019 to the 26th largest VA lender in the country in 2021
- Unranked in home equity volumes in 2019 to the fourth largest home equity lender in 2021

“The fact that we could quickly respond to interested consumers, and keep them engaged throughout the loan process, was a key component of our growth,” Bjugstad said.

### Increased scalability

Using both Encompass and Velocify together also enabled PenFed Credit Union to quickly scale to support this increase in volume.

“We had to quickly expand our capacity to be able to support this increase in interested members,” Bjugstad explained. “Using tools like Velocify, and leveraging text and emails to stay in front of those consumers, ensured that we didn’t miss out on the opportunities. This wouldn’t have been possible without automation.”

### Increased flexibility

If rates are rising, or other market conditions change, the PenFed marketing team can quickly adjust messaging to reflect new content or a new strategy.

“In today’s mortgage environment, you have to be able to pivot strategically, depending on what’s happening with rates and the marketplace as a whole,” Hero said. “Velocify, when combined with the power of Encompass data gives us the ability to be super agile, flexible, and adjust strategy on the fly at a low cost..”

## Improved productivity and member satisfaction

By sending out automated messages to members when loan milestones were reached, PenFed Credit Union eliminated the member phone calls coming into the fulfillment team, asking about loan status.

“By eliminating the phone calls, we enabled our processors to spend more time tending to their loans and keeping them moving along,” Bjugstad said. “At the same time, we kept our members informed on what was happening with their loans, which improved their satisfaction, as well.”

But, even with all they’ve accomplished so far, this success story isn’t done yet.

“We want to push the envelope with the way we use Velocify’s customization. Right now, we’re looking at adding personalized introductory videos to our loan status emails, and eventually, using videos for loan estimates and closing disclosures, as well,” Hero said. “It’s another way we can set ourselves apart and continue to grow.”

It’s another chapter in what’s sure to be an ongoing Velocify success story.

**“Velocify, when combined with the power of Encompass data, gives us the ability to be super agile, flexible, and adjust strategy on the fly at a low cost.”**

### **Emmitt Hero**

Senior Manager of Lead Strategy  
PenFed Credit Union



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