

# Founders Federal Credit Union Helps Reduce Members' Predatory Loan Interest Rates by up to 10x with Q2 Discover and Q2 SMART

## Key Challenges

When a group of Spring Mills employees launched [Founders Federal Credit Union](#) ("Founders") in 1950, the blue-collar textile workers saw an opportunity to protect their colleagues from getting preyed upon by loan sharks, pawn shops and money men. They banded together to offer fair lending options and to protect one another.

Today, nearly 75 years later, Founders' commitment to serving under-banked individuals has only intensified. The credit union has an entire department exclusively devoted to financial literacy education in the community—from teaching sessions at elementary schools through high schools, colleges and civic groups—Founders is committed to moving people from financially vulnerable to fully empowered.

The credit union's strategy behind providing the right solutions for its members has always been problem-driven rather than data-driven. While data can be a valuable resource, it is rarely helpful when there is no direction behind it. Founders CEO Bruce Brumfield says, "We're always looking at and evaluating the data we have on our members and considering how we can turn that data into information and insights that can identify or be used to solve challenges. We noticed our members have a propensity for using title companies, check cashing companies and finance companies, so we looked into the dollar limits and frequency of these loans. We saw a need in the market to offer a solution at a favorable interest rate that would benefit the member while also protecting the credit union."

Founders found what they were looking for in a third-party lending solution, called QCash, as an alternative to payday loans used by some at-risk members who were paying 200% – 500% in interest. Members who qualified could apply for Founders' less expensive loans, dubbed "Express Loans," via their existing digital banking dashboard. Decisions and funding are almost immediate, with members bypassing credit checks.

### Problem

The problem was, few members were using the service because they didn't know it existed. Pam Gilmore, Founders SVP Digital and Debit Delivery says, "Our biggest challenge in marketing the product was that it's not available to every member. Members must qualify based on their relationship with us and their direct deposit status. We couldn't do a mass marketing campaign."



## About Founders Federal Credit Union

**Founded:** 1950 as Springmaid Credit Union

**Headquarters:** Lancaster, South Carolina

**Current Market:** More than 250,000 members in 37 locations

**Assets:** \$4 billion

“When you think about a strategic partner, you're really looking for somebody that's going to push the envelope. Q2 does that.”

**Pam Gilmore**

Founders SVP Digital and Debit Delivery

**Q2**

