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## **Pentagon Federal Credit Union Partners with Open Lending**

*Risk-based pricing and default insurance program helps credit unions serve more members, manage auto loan risk, and improve loan volumes.*

**AUSTIN, Texas and ALEXANDRIA, Va., January XX, 2015**—Open Lending, LLC, provider of Lenders Protection®, announced today that it has partnered with one of America’s largest credit unions, [Pentagon Federal Credit Union](#) (PenFed). Lenders Protection® is a sophisticated risk-based pricing and default insurance program that allows credit unions to serve more members by providing insurance against losses on new and used automobile loans funded through direct or indirect lending channels.

Lenders Protection® will provide PenFed with the risk-based pricing tool necessary to allow the credit union to safely price, approve and fund more near-prime automobile loans. For many financial institutions, the general features in this program offer an opportunity to significantly expand current risk-based lending guidelines, reduce or eliminate down payment requirements, and extend loan terms, therefore, allowing a financial institution to increase buying power and funding ratios.

“Our partnership with Open Lending is a win-win in the true sense, as more people will become eligible to take advantage of the wonderful product suite we offer,” said PenFed’s Chief Credit Officer, Fred Rubin. “Our relationship with Open Lending will enable us to really apply analytics and science to bring our market-leading products to more of our members.”

Since 2004, more than \$2 billion in auto loans has been underwritten and insured through Lenders Protection®. In August 2010, Open Lending, Inc. partnered with AmTrust Financial Services, Inc., as it introduced the new and improved Lenders Protection® program. AmTrust is a multi-national provider of property and casualty insurance and its principal underwriting subsidiaries are each rated “A” (Excellent) by A.M. Best.

With Lenders Protection®, financial institutions always maintain control of credit decisions, loan servicing and collections, portfolio yield targets and risk-based pricing configurations. These critical functions are never delegated to a third party.

“In today’s market, many lenders are experiencing flat or declining loan volume, shrinking interest margins and decreasing net income. Lenders Protection allows lenders to buy more auto loans, reduce



the risk and strengthen dealer relationships that will result in more volume and higher yields,” said John Flynn, CEO of Open Lending, Inc.

#### **About PenFed**

Established in 1935 as the War Department Credit Union, PenFed is one of the largest credit unions in the country, serving 1.3 million members worldwide; with nearly \$18 billion in assets. Its long-standing mission has been to provide superior financial services in a cost effective manner, while being responsive to members’ needs. PenFed offers market-leading mortgages, automobile loans, credit cards, checking, and a wide range of other financial services with its members’ interests always in mind. Serving a diverse population, PenFed offers many ways to become a member; including numerous employee groups and association affiliations. PenFed is federally insured by the NCUA and is an equal housing lender. PenFed does business in accordance with the Federal Fair Housing Law, the Equal Credit Opportunity Act, and is a member of NAFCU. *To learn more about PenFed, visit [PenFed.org](http://PenFed.org).*

#### **About Open Lending, LLC**

Founded in 2000, Open Lending is located in Austin, Texas. The company specializes in providing web-based pricing and underwriting technology that helps financial institutions approve auto loans for borrowers who don't meet typical underwriting standards. Open Lending's flagship product, Lenders Protection®, provides a software platform that integrates automated loan default insurance underwriting, risk-based loan pricing and portfolio yield targets with indemnity insurance provided by a highly rated insurance carrier.