

The Lender's Guide to Engaging Credit-Challenged Borrowers

How to increase loan volume and build lasting
relationships with credit improvement education

An overlooked opportunity in lending: Credit-challenged borrowers

Lenders are quick to say they're not just in the business of closing loans—they're helping people access the lending products they need to realize their financial goals. But most lenders are overlooking a critical part of the borrowing journey for a large segment of potential borrowers: Helping consumers with lower credit scores to improve their financial health and credit, so they can qualify for the lending products that can help them realize their goals.

Total Expert empowers lenders to tap into this massive opportunity to expand their addressable market and widen their sales funnel. The purpose-built tools within the Total Expert platform enable lenders to connect with borrowers who have credit difficulties and provide the guidance and education they need to improve their credit score. Showing up for customers in moments like this allows lenders to build trust and earn lifelong loyalty.

This guide will show you how the Total Expert platform gives lenders the tools they need to turn today's application denial into tomorrow's closed loan.

- 1 EXPERT CONTENT:** A library of expert-written and compliant educational content that offers genuinely helpful guidance, while staying on the right side of compliance requirements.
- 2 AUTOMATED ACTION:** Place contacts on Automated Credit Improvement Engagement Journeys, designed to engage contacts with credit difficulties and provide timely, relevant content that builds trust, loyalty, and lifetime relationships.
- 3 CUSTOMER INTELLIGENCE:** Critical insights and alerts to monitor and identify consumers who have improved their credit enough to qualify for a mortgage.



The growing need for credit improvement

Recent data highlights the increasing number of Americans with credit challenges and the difficulties they face in accessing credit:

Credit-challenged borrowers on the rise	Loan rejection rates tied to credit challenges	Preying on persistent borrowers
<p>According to an analysis of VantageScore data, over 47 million Americans had credit scores between 300-600 as of February 2024. This represents an increase of 1.2 million people year-over-year.</p>	<p>The National Association of Realtors reports that in 2024, 21% of denied mortgage applications were due to a low credit score.</p>	<p>According to a Bankrate poll, nearly a quarter of applicants continued to pursue alternate (and less-than-ideal) financing options after being declined, such as cash advances or payday loans.</p>
<p>Source: VantageScore</p>	<p>Source: National Association of Realtors</p>	<p>Source: Bankrate</p>

An enormous, unaddressed market

Traditionally, individuals with low credit (i.e., credit that falls below a lender’s approval thresholds) are generally not viewed as “in-market”—or at least not viewed as “high-value” opportunities for lenders. In fact, when a borrower applies but is not approved for a loan, this is often a dead end in the borrower engagement journey.

But these consumers may, in many cases, have very strong demand for loan products:

- Some have applied for loans and not been approved.
- Others want to apply, but know they have poorer credit and think they cannot qualify for a loan.
- Many are just starting their borrowing journey and are entirely unaware of their credit health.

And even if these individuals do not have strong loan interest today, that’s almost sure to change in the future as they develop their financial literacy and take control of the financial health.

Failing to effectively engage this huge future-borrower segment is ignoring a top-of-funnel opportunity to build awareness and establish loyalty. Moreover, with competition increasing from every angle, **if your lending organization does not make these early connections with future borrowers, you can be sure your competitors will.**

Earn loyalty by giving borrowers what they want: helpful education & trusted guidance

The recipe for earning customer loyalty—in any scenario—is simple: Give them what they want. Determining what that is can be challenging. But in the realm of consumer financial services, it’s clear that what people want most is expert guidance.

Research shows that consumers want to improve their financial literacy and crave guidance they can trust, but they often aren’t getting it from their financial institutions:

Falling financial literacy	Appetite for financial education	Primary financial institutions falling short
<p>Data from the Global Financial Literacy Excellence Center shows that financial literacy in the U.S. sits around 50% on their 2024 index—and has fallen over the last two years.</p>	<p>An Experian report found 2 in 3 U.S. adults want to improve their knowledge of credit and personal finance—and those numbers are significantly higher among Gen Z (80%) and Millennials (79%).</p>	<p>The Financial Brand reported that only 14% of consumers say their bank or credit union is delivering on their expectations for financial education.</p>
<p>Source: World Economic Forum</p>	<p>Source: Experian</p>	<p>Source: The Financial Brand</p>

Engaging these individuals at this critical stage in their borrowing journey—before other lenders do—is a vital opportunity to:

- Create a powerful first impression: Position your institution as a trusted advisor.
- Earn trust: Provide genuine educational content that helps customers address a problem rather than trying to sell them a product.
- Nurture loyal, long-lasting relationships: Build a foundation for future business when these individuals become creditworthy.

Helping lenders solve three essential challenges to enable future-borrower engagement

Experienced loan officers already recognize the untapped opportunity of working with credit-challenged consumers. Some have even developed their own approaches to engaging these future borrowers.

However, even experienced LOs are limited by challenges in answering three essential questions:

1. **How do I identify the right audience to offer credit improvement content?**
2. **How do I create credit improvement content that's both helpful to borrowers and complies with regulations?**
3. **How do I engage these individuals—and deliver that educational content—at the right time, consistently and at scale?**



The Total Expert Solution: Intelligence-fueled credit improvement Journeys

Total Expert solves these three challenges through our proven customer engagement platform that's purpose-built for lenders:

- **EDUCATION:** Expert Content Library
- **INSIGHTS:** Customer Intelligence
- **ACTION:** Automated Engagement Journeys



EXPERT CONTENT LIBRARY

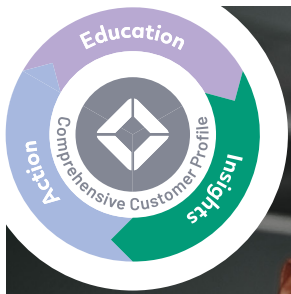
EDUCATION: Ready-to-use and highly customizable content templates

Relevant for all borrowers

While subprime borrowers are a critical audience for credit improvement content, credit health education is not just for customers with poor credit—it's important for all consumers to be aware of.

The Expert Content library gives you a robust foundation of ready-to-use content—developed by industry professionals—that addresses the most relevant topics, challenges, and opportunities for borrowers with credit difficulties. But the Expert Content library is also built to make it easy for loan officers and their teams to customize the content so it fits your organization's needs and helps them tailor the content to each contact's unique financial situation.

- Customization: Customize content to align with your brand messaging and organizational goals—all while staying compliant with regulatory requirements.
- Compliant templates: Pick one of our templates to build out marketing content—including co-marketing materials with dynamic footers—while allowing our platform to track RESPA compliance.



AUTOMATED ENGAGEMENT JOURNEYS

INSIGHTS: Identifying your credit improvement audience

The Total Expert platform provides lenders with a set of pre-defined nurture streams that connect to pre-built engagement Journeys. These nurture streams are based around key life events or situations like getting married, becoming a parent, or earning a degree. But there are also options to group contacts who have credit difficulties.

Contacts can be added to a Credit Improvement nurture stream in four ways, and defined by top-level policies established by the lender:

- **Loan status:** Triggered when a borrower applies for a loan and is not approved due to a lower credit score.
- **Credit score shared:** Triggered when a borrower shares a credit score (during an application process) that falls below a preset threshold (adjustable by the lender).
- **Manual add:** Loan officers can also add individual contacts manually, based on their one-to-one interactions. This could include performing a “soft” credit pull to see how far away the contact is from having a qualifying credit score.

In the first two automated scenarios, a loan officer receives a notification when a contact is added to the group and the credit improvement Journey has begun. This keeps them in the loop so they're ready to reach out personally when the opportunity arises.



CUSTOMER INTELLIGENCE

ACTION: Continuous credit monitoring & alerts

Total Expert Customer Intelligence aggregates all first-party data on a given consumer and combines it with valuable third-party data sources to expand the consumer profile.

- **Data enrichment:** Legacy CRM platforms are limited to static customer records. Total Expert Customer Intelligence creates dynamic, actionable customer records by continuously aggregating relevant behavioral, demographic, and financial data, often including regular insights on credit scores.
- **Targeted monitoring:** Lenders can decide who they're monitoring for these credit insights. For example, they can monitor all denied loan applicants from a specified date range.
- **Automated triggers:** If individuals remain below the lender's underwriting or credit threshold, they will stay in the credit improvement nurture stream. As soon as they cross that threshold, the system automatically generates a credit improvement alert that lets the loan officer know that a contact is ready to begin the loan application process.

Total Expert in Action

Consistent engagement— at scale

Keeping these hopeful borrowers engaged with helpful content is critical to building trust and loyalty so that when their credit improves, you'll be their first (and only) choice to help them continue their homebuying journey. The challenge here is that experienced LOs are often too busy to manage this kind of ongoing engagement manually—and less-experienced LOs may not know where to start.

The Total Expert platform's proven automation that takes this administrative burden off of LOs through:

Pre-built Journeys: Total Expert Journeys provides dynamic, multi-step engagements that can be implemented on day one—no need to build anything from scratch—and customized to fit your organization's needs. These are based on best practices that Total Expert developed—and continually refines—through analysis of our most successful lenders' engagement data.

Omnichannel engagement: Total Expert Journeys deliver seamless customer experiences across every channel with a mix of automated digital engagements (email, SMS, video) and triggered reminders for human outreach (a personal call or email).

Intelligent and adaptive: Total Expert Journeys adjust in real time based on the borrower's behavior and preferences to help you form deeper relationships and increase conversions.

Easily customizable: Quickly modify the flow of the Journey and the content with a drag-and-drop Journey builder. Adjust the number of touchpoints, frequency, and language of the communications to fit the specific tone or language of your organization, based on your specific goals and priorities.

Automated off-ramps

Credit improvement doesn't happen overnight—the process can take months (or even years). To reflect this, Total Expert built in the same type of intelligent off-ramps that remove contacts from a credit improvement Journey either when they reach a target credit score or if their credit hasn't improved enough over a designated time period.



Time-based offramp

If credit hasn't improved after a given time span, the individual is removed from the group and no longer receives communications, preventing them from feeling badgered (or bored) by content.



Credit improved offramp

If a borrower's credit improves beyond a preset minimum threshold, they are automatically moved to the pre-built "credit improved" Journey. This new nurture stream delivers content focused on understanding loan options and navigating the loan application process, helping the borrower make the most of their newly improved credit.

Unlocking growth by engaging future borrowers

Competition in lending is only increasing, with FinTechs and other disruptors rapidly stealing market share from traditional players. Moreover, macroeconomic headwinds and consumer trends leave lenders competing for a smaller number of loans.

For savvy lenders looking for innovative strategies to expand their funnel and generate new lending opportunities, the credit-challenged borrower segment represents a significant untapped opportunity. By proactively engaging these individuals with credit improvement education, lenders can:

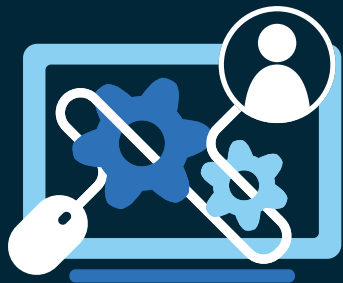
- Expand their addressable market and increase revenue potential
- Build early trust and establish long-lasting customer relationships
- Enhance their reputation as a trusted financial advisor
- Gain a competitive advantage in a crowded market

Envisioning successful credit-challenged borrower engagement

Total Expert empowers lenders to capture this opportunity, turning potential borrowers into loyal, lifelong customers. Imagine this:

A lender, armed with Total Expert, identifies a potential borrower who was recently denied for a loan due to a low credit score. Instead of a dead end, this becomes the start of a Journey. Automated emails offer helpful tips and resources, guiding the borrower towards better credit habits. The LO, alerted to the borrower's situation, checks in periodically with personalized encouragement. Months later, an alert signals that the borrower's credit score has improved. Now, they're a qualified lead, ready to secure the loan they need and build a lasting relationship with the lender who empowered them along the way.

This is the power of Total Expert: turning what was once a missed opportunity into a win-win for both lenders and borrowers.



Ready to capture new opportunities with credit-challenged borrowers?

Contact Total Expert to get your personalized demo of the insights-to-action pipeline of credit improvement Journeys.

[Request a demo >](#)



About Total Expert

Total Expert is the purpose-built customer engagement platform trusted by more than 200 financial enterprises. Total Expert unifies data, marketing, sales, and compliance solutions to deliver the perfect customer journey across every financial milestone—in any market. Total Expert turns customer insights into actions that increase loyalty and drive growth for modern banks, lenders, credit unions, and insurance companies. Total Expert is now available for purchase on the AWS Marketplace and Salesforce AppExchange.

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