

# Proactive Portfolio Management: 9 Steps to Success Checklist

In today's dynamic lending landscape, traditional reactive methods of managing and making the most of your account portfolio are no longer enough. Proactive strategies are essential to identify and mitigate risk, protect your bottom line, and help borrowers stay on track. Following the steps below could help you take a more proactive approach with your lending strategies and stay ahead of any potential risk.



## 9 Steps to Success Checklist

### Risk Assessment and Identification:

- 1 **Regularly Review Credit Attributes and Scores:** Analyze your borrowers' credit reports for any significant changes or red flags.
- 2 **Assess Payment Patterns:** Regularly review borrower payment trends within your portfolio to identify potential indicators of financial difficulty (e.g., late payments, partial payments).
- 3 **Leverage Instant Data to Detect Potential Financial Distress:** Evaluate borrower employment status regularly to be aware of changes in income stability.
- 4 **Identify High-Risk Segments:** Determine which segments of your portfolio are most vulnerable to delinquencies and defaults (e.g., borrowers with low credit scores, high debt-to-income ratios).

### Early Intervention and Mitigation:

- 5 **Proactive Communication:** Stay in regular contact with your borrowers to see how they're doing and offer support if needed.
- 6 **Loan Modifications:** Consider treatment strategies within your portfolio, such as extended repayment terms for borrowers that may need them.
- 7 **Financial Counseling:** Provide resources to your borrowers, like access to financial counseling or educational programs.

### Portfolio Optimization and Improvement:

- 8 **Regular Performance Reviews:** Conduct periodic reviews of your portfolio's overall performance to identify areas of improvement and formulate treatment strategies.
- 9 **Data-Driven Decision Making:** Use the insights gained from your portfolio review to inform your lending strategies and risk management practices.



### Bonus Tip

Partner with a trusted data provider like The Work Number® to access instant employment and income data, enabling you to make more informed decisions about your auto loan portfolio. By harnessing the power of instant data and insights, you can turn challenges into opportunities for growth.



### Remember

Proactive portfolio management is an ongoing process. By implementing these steps and staying vigilant, you can help reduce your risk of loan losses, potentially improve your bottom line, and build stronger relationships with your customers.

**Want to learn more about how The Work Number's Portfolio Review can help you proactively manage your auto loan portfolio? Schedule a consultation today!**