

CASE STUDY

First City CU Reduces Collections Costs with Eltropy & Akuvo

By automating **early-stage reminders** with Eltropy and Akuvo, First City Credit Union replaced costly third-party collections calls with smart text conversations - transforming collections into a faster, more efficient, and more empathetic experience.

\$48,000

Saved Annually

(By automating early-stage collection reminders)

100%

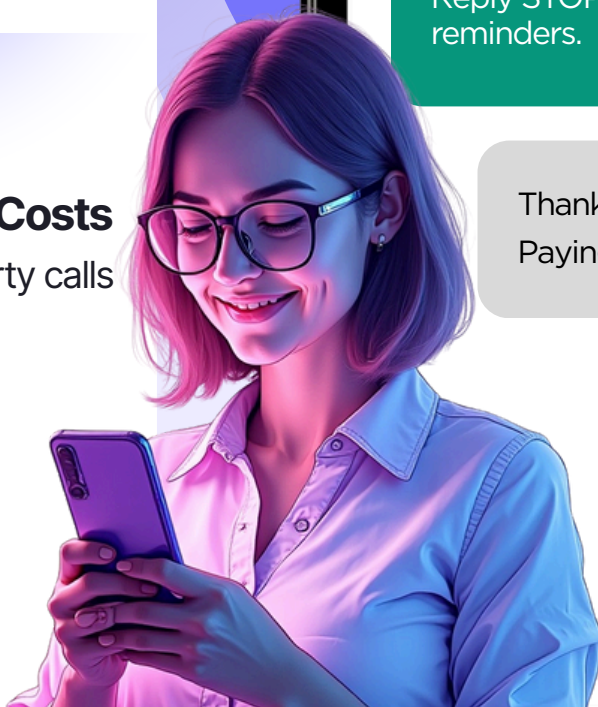
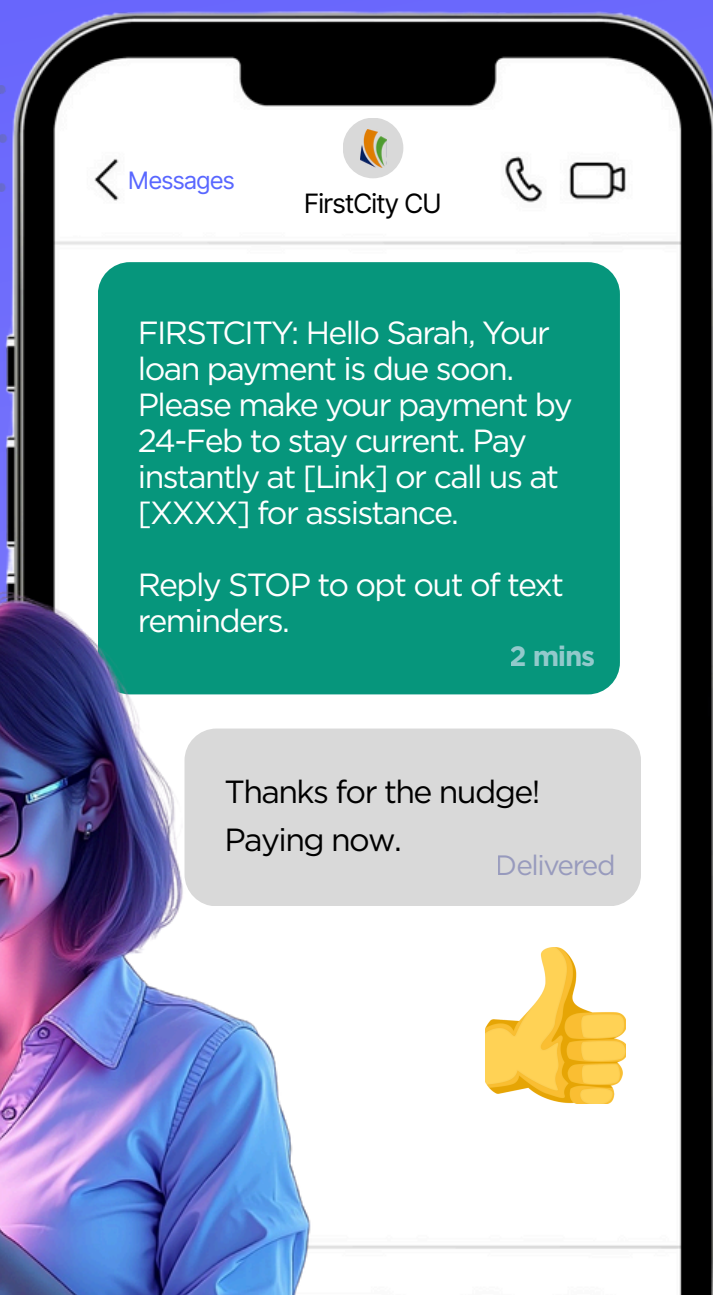
Happier Members

(Fewer calls. Fewer opt-outs. More compliments than ever)

54%

Lower Collection Costs

(By replacing third-party calls with automated texts)



Background

[First City Credit Union](#) has been serving communities of Southern California since 1937. With more than **\$900 million in assets** and a membership base of 56,000, it stands as one of the nation's strongest and most trusted financial institutions.

Offering a full suite of personal and business banking services, including checking and savings accounts, auto and home loans, credit cards, business services, and investments, First City is committed to helping members take control of their financial journeys and achieve lasting financial wellness.

Challenge

First City Credit Union faced a significant expense in managing early-stage collections through a third-party provider. The credit union was spending approximately **\$7,400 monthly, nearly \$89,000 annually**, on outsourced collection calls for members with delinquent balances in the early stages.

Collection calls can be uncomfortable conversations, and beyond the *financial burden*, this approach (third-party calling) created **friction** in the member experience. But the alternative was First City's own team having less capacity to focus on complex recovery cases and building stronger member relationships.

We were looking at Eltropy from a loan servicing perspective and realized that there was an opportunity to change how we approached **early-stage collections entirely**.

Fred Perez

SVP, Chief Lending Officer



Solution

First City Credit Union partnered with Eltropy to launch automated text messaging campaigns for early-stage collection reminders.

The credit union took a phased approach, starting with loan servicing and planning for enterprise-wide expansion. The real breakthrough came when First City integrated **Eltropy with Akuvo**, their collections workflow system.

By itself, Eltropy is great, but we had to push the campaigns manually.

With **Eltropy+Akuvo integration**, it changed the game considerably because now we could set the campaigns to occur at certain intervals. It took the manual process out of the equation, and the campaigns would run automatically.

Fred Perez

SVP, Chief Lending Officer



Eltropy <> Akuvo integration created magic!

- **Automated text campaigns** (through Eltropy) delivered timely payment reminders at **7-day and 20-day** intervals.
- **Workflow automation** (Eltropy + Akuvo) triggered campaigns based on delinquency status without needing manual intervention.
- **Embedded payment links** allowed members to pay directly from the text, even from external accounts.



The beauty of Eltropy is playing nicely and integrating seamlessly with other systems. Not only did we do that, but we also layered in a repayment link so the member could get a reminder and pay directly from their external financial institution account.

Fred Perez

SVP, Chief Lending Officer

Implementation Timeline

First City Credit Union began its Eltropy journey in February 2025:

Within just **three months** of full automation, First City Credit Union was seeing measurable results.



February

Started manual text campaigns through Eltropy



Mid-March

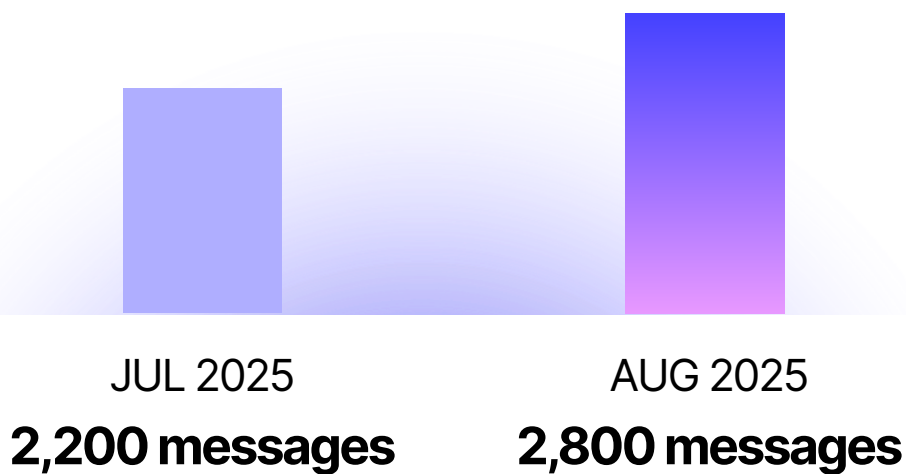
Added payment links to text messages



May

Achieved full automation with **Akuvo** integration

The credit union's text messaging activity grew exponentially:



Results

54% Reduction in Third-Party Collection Costs

The impact on First City's bottom line was immediate and substantial.

Monthly third-party collection expenses dropped from \$7,400 to \$3,400 - a reduction of \$4,000 per month or \$48,000 annually.

"We've seen about a **54% expense reduction for our early-stage collections** where earlier people were calling on our behalf to remind members that their payments are due." Perez reports.

The trend continues downward as First City expands the range of days handled through automated texting. "We may see those expenses continuing to drop as we continue to expand the range that we rely on Eltropy for," Perez adds.

"All of our early-stage collections now go through Akuvo.

Previously, we relied on a third party for the early stages. Now, we've flipped the model, we use third parties to handle 20 to 30 days, and everything else below that is managed entirely through Eltropy."

Fred Perez

SVP, Chief Lending Officer



Improved Team Efficiency

The automation freed up First City's collections team to focus on higher-value activities. "Some of our collectors say, 'Hey, our phones aren't ringing anymore. They're not ringing like they used to,'" Perez shares. "The members are curing the delinquent balances sooner."

Rather than handling routine payment reminders, collectors now spend more time on recovery work and meaningful member conversations. "We want to spend more time with the recoveries," Perez told his team. "While technology does the payment reminders, we're able to reallocate resources to doing bigger picture items than just doing a reminder call."

Better Member Experience

Members responded positively to the shift from phone calls to text messages. "Many of our members prefer that because it's kind of an embarrassing conversation to have," Perez observes. "It's not so embarrassing when you get that by text."

Opt-out rates remained very low. "If consumers were really not happy with it, they would be opting out. And we're not seeing that," notes Perez.

Perhaps most telling: member compliments for loan servicing agents increased significantly. "I have never seen so many member compliments for our agents as this last year," says Perez. "Loan servicing is not generally an area where you're getting that. I think partly because our agents are able to spend more time on the phone with members, listening to them, empathizing with them, and working on workable solutions."

"I've never seen as many member compliments as we've received this year. I don't recall seeing that prior to all of the other tech stack that we've implemented."



Looking Ahead

Building on this success, First City Credit Union has expanded its partnership with Eltropy beyond loan servicing to include lending and contact center operations. The credit union chose Eltropy specifically for its enterprise capabilities and roadmap.

"It's important as you're looking at a solution to look for a provider that has the scale to provide you with an enterprise solution," advises Perez. "I saw it beyond just what it could do for us in loan servicing and looked at what it could do for us on the lending side and on the contact center side."

"You don't want somebody who's just great today, but want a partner that's investing dollars toward reinventing itself and constantly has something on the roadmap. I think that's critical."

First City continues to explore ways to expand its use of automated texting, including AI agents and additional lending workflows. "We started with it in loan servicing and lending and we saw its potential for what it could do for us," says Perez. "I'm just so happy that this relationship has evolved beyond just those two areas because we saw it for what it was capable of doing at the onset."

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