

Want More 1st Mortgages? Be There When They Need You!

A Word from Jeff Frantz

Recently, I attended a CUREN (Credit Union Real-estate Network) meeting and the subject of developing new 1st mortgage business came up. Several of the attendees mentioned their success in developing relationships with real estate agents and experiencing some growth from that market sector. One of the challenges brought up in trying to cultivate this market was availability. Real estate professionals generally do a lot of their selling on weekends and evenings when the credit union is closed. Staffing experienced mortgage-loan counselors 24/7 is a bit impractical for most credit unions, but there is a solution.

Companies that provide 24/7 outsourced mortgage-loan-origination services can be a practical answer to supporting industries like real-estate sales. As a seamless and transparent extension of the credit union, highly trained originators can give the member the guidance they need at a critical time in the buying cycle. Knowing what they [home purchasers] qualify for can smooth out the home-buying process. Real estate agents who learn that the credit union is available to pre-qualify, quote payments and approve credit when they have an interested buyer will tend to utilize that resource on an increasing basis. When the word gets out, originations will grow.

Typically, lenders are open and available an average of 50 hours per week, leaving their members high and
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dry the remaining 118 hours. Engaging a 24/7 origination partner and adding the expertise of a proven lender to your team immediately increases your availability by over 200 percent, with no investment in additional personnel and virtually no downside.

An ancillary benefit of outsourcing is cost savings. Origination expenses are generally paid for “work done” in moving costs from fixed to variable, and overall costs are substantially less than the typical 50 basis points paid to commissioned originators. Why pay extra for organic growth?

Sure, you can drive potential borrowers to the Web with good results, but there will always be a healthy portion of the population that will look for human guidance through the mortgage-purchasing process. With the home being the biggest purchase in the average person’s life, being available when your member is ready to talk mortgages can go a long way in improving the member experience and in gaining more business.

A window of opportunity? You bet it is! The mortgage “crisis” is presenting a huge opportunity for credit unions to foster recognition as traditional values, high-integrity lenders and growth originations. If approached properly, real estate professionals can be a major credit-union asset in maximizing 1st mortgage growth.

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