

Leading the Expedition

Helping Members Explore the Purchase Market



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Whether we're enjoying movies, video games, books, old radio serials or podcasts, we've all imagined what it would be like to be an explorer. Well, you may be more of an explorer than you realize!

As credit union mortgage lenders, you lead expeditions with your members, guiding them on their quest to find the treasure that is homeownership.

To succeed in this service adventure, credit union mortgage lenders need to adapt to the changing and challenging purchase market. That includes creating new strategies and plans that will help you reach more members; utilizing tools and technology that members want and need; offering a good mix of products; and surrounding yourself with a top-notch team. When we think

and act like explorers, we can move forward confidently with a single goal in mind — homeownership!

MANEUVERING WITH MARKETING

As the refinance boom comes to a near stop, make sure your members understand the credit union difference and are aware that your credit union offers mortgage loans for purchases.

Mapping out a marketing plan for purchase loans is a smart strategy for growing your long-term market share, and the best way to do this is to establish a marketing calendar and stay on

course. When creating your calendar, set a pace that you can realistically maintain. Start slow and build upon your marketing efforts as you see what works in your target market.

With the cyclical nature of the mortgage market, a strategic and flexible 12-month marketing calendar is the perfect tool to build awareness throughout the year. Tailoring it by season will help you focus on the peak times for purchasing a home. Keep your credit union in front of your members a combination of digital and print materials such as email, website

banners, newsletters, branch flyers and statement stuffers.

You can also connect with members in real-time and at low cost via social media to strengthen community engagement, increase brand recognition, strengthen brand loyalty and reach new audiences for potential members — and mortgage loans.

A great example comes to us from VacationLand Federal Credit Union in Sandusky, Ohio. They use social media as a tool to reach out to their current members as well as potential members. Chief Lending Officer Jami Risner shared that their primary reason for adding social media to their overall strategy was to educate members, interact with them and share what the credit union is doing for their community.

According to Jami, the credit union creates a variety of content to generate interest and feedback.

“You need to do your research—typically our members respond to 2-3 posts every other day,” Jami said. “For instance, we will generate a post about products, a post acknowledging the local ‘Teacher of the Week’ and a post about promoting mortgages.”

Another marketing tactic that is real-time and low cost is hosting homebuying seminars where you can educate your members about what they need to know before they begin their home search.

Horizon Federal Credit Union in Williamsport, Pa., started the planning process two months prior to the event date and publicized their event through their credit union’s social media channels, digital marketing screens in their branch lobbies and buck slips to share with realtors to help spread the word.

According to Chief Experience Officer Denise Lariviere, Horizon FCU features a panel of experts at their seminars, including local realtors, closing partners and home inspectors, to educate their members. They also offer an incentive to their members who attend



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their event.

“We offer our attendees a \$250 credit off closing costs if they apply for a home loan and close with us,” Denise said.

When it comes to post-event follow-up, the credit union contacts all attendees by phone and email to thank them for attending the seminar and give them an opportunity to ask questions.

TREKKING WITH TECHNOLOGY

In a purchase market, the path to home-ownership may take longer and require more resources. Ac-

According to the Mortgage Bankers Association, the cost to originate a single loan has grown to \$9,500 at the end of 2021. Part of the equation leading up to that number is team resources, as it takes three times the effort and action to complete a purchase loan versus a refinance.

That’s where technology can smooth the path and even shorten the timeline from application to closing for both your members and your internal mortgage team. This should extend through the life of the loan as well, with loan servicing portals for your members that features user-friendly and flexible interfaces, in-depth loan information access and frequently requested information. Explore these aspects of tech that provide more benefits:

- **Integrated Communications:** Technology designed for a good user experience provides the ability to communicate in an efficient and timely manner with all parties involved in the home loan process, such as internal teams, members, vendor partners, realtors, and the like).
- **Consistent, Automated and Streamlined:** Technology that provides a better user experience for members

and loan officers also helps speed up the process. Tech that takes care of the more routine tasks in the mortgage process enables you to spend more time with your members.

- **Reporting and Scenarios:** We all need to be cognizant of trends and changes throughout the mortgage process to adapt our planned courses. Adding the ability to run scenarios falls right in line with an explorer planning their adventure.

PLOTTING A COURSE WITH PRODUCTS

A successful explorer will offer a comprehensive mix of products and explain the differences to help members determine their best option.

Adjustable rate mortgages (ARMs) are regaining popularity. With the rise in interest rates, the lower initial interest rate of an ARM is very appealing to members and a potential option for them to consider. As a responsible expedition leader, make sure your member understands how the ARM in its entirety works versus a fixed rate mortgage.

Conventional loans are a staple of the loan product mix, offering some of the lowest down payments available—as low as 3% of

the purchase price. These loans also offer flexibility with terms from 10-30 years and can be used to buy primary residences, vacation homes and investment properties.

Government loans offer more great options:

- **FHA Loans** offer low down payments as little as 3.5% of the purchase price. One major benefit of this program is that members with lower credit scores may qualify. FHA also has shorter waiting periods for significant derogatory events, such as bankruptcy and foreclosure.
- **VA Loans** offer eligible veterans or active-duty service members home



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financing with no money down and no monthly mortgage insurance premiums. The veteran is also able to increase housing size over time with bonus entitlement.

- **USDA Loans** offer financing for eligible members in certain rural areas with no down payment. The borrower must be within the low to moderate income guidelines to qualify, and the home must be in an eligible area. Many properties that are not assumed to be rural may be eligible.

Please be sure to refer to specific lending guidelines for complete details to help you recommend the best products to each member.

HITTING THE TRAIL WITH TEAMWORK

Another movement affecting the mortgage industry and most others is the ability to find — and keep — valuable team members, so invest in your team.

- **Internal Mortgage Team:** Embrace

the “credit union way” and demonstrate it to potential AND current employees. They are major stakeholders in your team, so be sure to invest in keeping current team members and finding the best new team members. Let current and potential team members know how important they are to the success of your members and credit union.

- **Realtors:** To build relationships with these valuable colleagues, develop realtor outreach programs and partnerships, become part of the local real estate boards and be a collaborator with the realtor’s team as well as your own. You may want to consider programs that connect your members with qualified realtors who agree to keep the loan with your credit union.
- **Partnership:** Taking on an entire expedition can be challenging if your internal resources are limited, so explore external partnerships. Be

it originations or servicing, there are partners and service organizations ready to support your team.

As the saying goes, “It’s a jungle out there.” By setting the right course and planning appropriately for your journey and everything it entails, you will succeed in helping your members find the treasure that is homeownership. Happy exploring!



Bob Sadowski is a Marketing Specialist for myCUMortgage, a position he has held for seven years. Prior to myCUMortgage, Bob was part of the Marketing Communications teams at ACCO Brands, LexisNexis and the Dayton Area Board of Realtors. Bob is accredited in public relations through the Public Relations Society of America.



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