

# IBM Southeast Employees' Credit Union Changes the Game with HomeAdvantage

Florida-based IBM Southeast Employees' Federal Credit Union knew the time was right to refocus on purchase mortgages: home prices were increasing, the job market was improving, mortgage rates remained low, and refinance activities had decreased sharply. But the \$866-million credit union faced a challenge—getting in front of their home-buying members.

## The Issue

The Boca Raton, Florida-based credit union had previously built a real estate program that offered real estate agent connections and a rebate, on top of their own mortgage products. However, the credit union felt it followed “old school” thinking, as these extra benefits were only available at the time a member applied for a mortgage. Instead, IBM Southeast Employees' FCU wanted to find a program that helped them attract and identify home buyers before they were ready to be pre-qualified.

“We were getting to members too late, if at all. And there wasn't a lot of feedback,” said Mark Skinner, Sr. Director of Real Estate Lending for IBM Southeast Employees' FCU, who noted that the timing caused the credit union to forfeit chances to make new home loans to members. “We wanted to find a way to reach our members before they found an agent or another lender on their own.”

## The Solution

To improve its purchase mortgage game—and put the credit union in front of members earlier in their home-buying process—IBM Southeast Employees' FCU partnered with CU Realty Services and its HomeAdvantage™ program. Designed to position credit unions

as members' First Point of Contact when starting the search for a new home, HomeAdvantage connects with buyers where 56 percent of all home buyers go first: the Internet.

The turnkey program features a variety of web-based tools that help members complete their initial steps in finding a new home—like the ability to search for properties online, research neighborhoods and connect with a recommended real estate agent.

In addition, Skinner says HomeAdvantage allows members to earn a rebate at closing—which averages \$1,545 per transaction nationally—when they work with an agent from the program to buy or sell their home.

“HomeAdvantage gives our 72,000 members access to everything they need to start their search and save money along the way—right from our credit union's website,” Skinner said.

HomeAdvantage is a registration-based program that asks a few short questions about the member before the registration is complete. From that data, IBM Southeast Employees' FCU is able to access reports that identify which members are looking to buy, when they plan to buy and if they are pre-qualified. HomeAdvantage also provides the credit union with the ability to track members' progress from the initial “just looking” stage throughout the entire process, which can last up to 18 months.

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## IBM Southeast Employees' FCU Changes the Game with HomeAdvantage, *continued*

President /CEO of CU Realty Services. “That not only means higher purchase mortgage volumes, but it also leads to a stronger, more enduring relationship with the member.

And that’s exactly the play happening, according to Alex Yarnell, Director of Marketing and Brand Management at the credit union. “The response from our members has been tremendous.”

### **The Results**

“We’ve already seen a lot of members sign up,” Skinner said. “Because we have branches in more than one state, we needed the widespread service that CU Realty’s HomeAdvantage provides.”

IBM Southeast Employees’ FCU initially “soft-launched” HomeAdvantage last May, and then began a more targeted—and highly successful—email marketing effort in August. Of the 46,000 emails distributed, nearly 10,000 opened the message. In just six months, the credit union registered more than 350 members for HomeAdvantage—225 of whom identified themselves as buyers not yet pre-qualified for a mortgage, making them strong loan prospects.

“Members are really showing an interest,” said Yarnall. “They’re telling their friends and coworkers how pleased they are with the program and many are ‘liking’ us on Facebook, so the word-of-mouth ‘buzz’ is causing registrations to almost go viral.”

IBM Southeast Employees’ FCU has found a program that solves the issue, while members get to find the home of their dreams and save money. “This is a home run for members and the credit union,” said Skinner.

For credit unions looking to boost their purchase mortgage volumes, HomeAdvantage may be the winning strategy needed to attract a new member audience and stay connected with them until they are ready for financing.

### **Tips For Successful Implementation**

Skinner and Yarnell say the most important ingredient for success of any new program is passion for the product. The credit union invested time and resources to ensure its entire staff and members knew about the HomeAdvantage program and its benefits.

#### **Use a variety of marketing channels.**

The credit union features HomeAdvantage on its website, social media, member newsletter, and on-hold messages.

#### **Choose the target audience.**

Initially, the credit union sent promotional email blasts to all members. Subsequent messages targeted members based on their credit scores, ability to afford a mortgage, locations, and other demographics.

#### **Time it right.**

Skinner and Yarnall say Friday afternoons have been the most effective time to send emails. Also, they suggest sending permission-based, drip-email or text messages. Repetition is important for increasing recall, but overdoing it will annoy recipients.

#### **Encourage members to share their experience**

The credit union plans to incorporate video testimonials on its website from members who used the program.