

Success comes quickly for credit unions shifting from mortgage services to real estate services

The real estate market is shifting—and for credit unions, opportunity is knocking.

Over the last several years, many credit unions have witnessed a big boost in members who wanted to refinance their homes to take advantage of historically low interest rates. In response, marketing campaigns featured rate specials and discounts, which kept the interest in refinancing high.

But at Indianapolis-based Indiana Members Credit Union, they knew increasing mortgage rates would give homeowners less incentive to refinance—plus, many of its members had already



refinance business created a perfect storm for shifting its attention to growing purchase mortgages.

So, as record-low mortgage rates began to climb, along with what had been stagnant or declining home values, these credit unions stood ready to seize the opportunity with a new partner at its side: CU Realty Services.

“**[HomeAdvantage] has helped us with mortgage lead generation and building better agent relationships... and saved our members over \$194,000 in rebates since its inception.**

— Ron Collier
President/CEO
Indiana Members Credit Union

Power of Partnership

To cast a wider net for attracting current and potential home-buying members, each of these credit unions formed a partnership with CU Realty Services, a provider of comprehensive real estate services to credit unions across the nation.

“We were looking for a resource to help draw in more purchase business, and CU Realty had the robust tools, support and experience to get this done,” said Manny Padilla, Jr., Vice President of Marketing at LAPFCU.

done so. Yet the credit union also knew many people would still need to buy or sell. Finding that first home, looking to upsize or downsize, or moving due to career changes would continue to keep the purchase-mortgage market relevant.

The situation was similar at Los Angeles Police Federal Credit Union, where increasing interest rates and a decrease in

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Meanwhile, IMCU's first-year results have been significant. When the credit union launched in July 2012, members quickly took notice, with more than 480 registering for the program since. And most impressive: IMCU experienced a 37 percent increase in its closed mortgages—well above the year-one 20 percent average typical for credit unions participating in the CU Realty Services program.

According to IMCU President and CEO Ron Collier, “The program has helped us with mortgage lead generation and building better agent relationships. In addition, our members love the program and have saved over \$194,000 in rebates since its inception.”

These features are designed to help credit unions reach more home buying members much earlier in the process—before they connect to an agent and before they are interested in pre-qualifying for a loan. Both LAPFCU and IMCU know becoming their members' first point of contact is the key. By helping members find the home of their dreams, the credit unions are well-positioned to provide the financing when the time comes.

A Plan for Growth

To make the first year of offering a real estate services program most successful, consider these tips:

■ Educate staff

At IMCU, branch managers originate loans, so branch-level training was critical. Face-to-face training with all member-facing employees is important, as well as providing staff the tools and resources to help them learn about the program.

■ Create a marketing plan

In addition to having mortgage staff talk up the program, work to build awareness among credit union members. LAPFCU's marketing efforts included targeted mailings, webinars, email campaigns, newsletter articles and website promotions.

■ Focus on promotion and advertising

Ongoing advertising of the program and related events is key. At IMCU, this included agent Q & A Days, twice-a-month open events where members and potential members meet one on one with IMCU staff and local agents to ask about home buying and the local real estate market. Similar events have proven very popular at other credit unions, as well.

■ Cultivate real estate agent connections

One strong component of the IMCU and LAPFCU programs is a network of experienced, pre-screened agents for members needing agent referrals. As the credit unions' partner, CU Realty Services built and trained local networks of agents offering discounts on their commissions at closing—savings that help lower members' closing costs or pay for moving expenses.

Opportunity for Success

For credit unions like IMCU and LAPFCU, shifting from a traditional mortgage department to a one-stop real estate resource for members provided a great opportunity to dramatically grow purchase mortgage volumes. And partnering with a company like CU Realty Services can play a critical role providing the tools, training and follow-up needed to ensure success.