



# the super bowl of lending

*By: First Heritage Financial, LLC*

There are auto loans, signature loans, credit cards, and even home equity loans. But in your relationship with your members, the Super Bowl of lending is a first mortgage. And you need to be a player.

“In today’s economic environment, there is no more important loan to your member and his family than a first mortgage,” says John Giordano, CEO of First Heritage Financial, LLC, the mortgage service provider endorsed by the Pennsylvania Credit Union Association. If your credit union is standing on the sidelines while bankers and mortgage brokers are building relationships with your members, you are passing up a big opportunity. The opportunity to be their trusted advisor and the opportunity for income in a time when consumer loan margins are razor thin.

For the better part of the last 40 years, credit unions have been attracting members by offering higher interest rates on savings programs combined with lower rates on consumer lending products. However, we are now seeing a shift in consumers looking to credit unions when planning to purchase or refinance a home.

## **So...what’s happening?**

While credit unions have had the ability to offer mortgage financing since 1977, many have steered clear of offering this valuable service. Despite the incredible opportunity to create life-long relationships with members, the mortgage finance market has not been a high priority in the overall lending strategy for some credit unions.

“I think we are seeing a real reversal in the usual order that has been in place the last 30 years that I have been working with credit unions,” said Robert Dorsa, president of the American Credit Union Mortgage Association in Las Vegas. “Mortgages used to be farther down on members’ priority lists because, in part, credit unions only began to offer mortgage loans a short time ago, compared to banks.” (Source: Credit Union Times, October 31, 2012, *Gains in Housing Market Expand Gateway to Credit Unions*)

The Federal Reserve Bank is still trying to stimulate the economy by making loans less expensive for those looking to make major purchases, pushing the calendar date for the expected first long-term rate hike until mid-2015.

**And at the top of the consumers’ major purchase list...a new home purchase or refinance decision.**

Today’s consumers are increasingly looking beyond traditional mortgage providers, and turning to their local credit union for one of the largest purchases a consumer makes in their lifetime. Credit unions can help their members while avoiding the expense of an in-house mortgage department by partnering with a third-party mortgage service provider. Not all third-party mortgage service providers are the same. Align with a provider that is member focused and credit union driven.

the entire suite of Fannie Mae programs, as well all the popular FHA/VA programs, and the Pennsylvania Housing Finance Agency’s (PHFA) programs.

**First Heritage Financial is more than mortgage finance.**

Our mortgage service does not stop on the 20-yard line. First Heritage Financial services also include:

- Conducting seminars for your members
  - o Help members understand the mortgage finance process
- Asset Liability Management for your credit union
  - o Help you identify the first mortgages in your portfolio that might be able to be sold on the secondary market.
  - o Sell those loans on your behalf allowing you to manage your interest rate risk to achieve ALM goals
  - o Turn existing mortgage into cash so you can make more loans to your members.
- Service functions
  - o Collecting payments and remitting your funds to you each month
  - o Perform the collection duties on these first mortgages and if necessary go all the way to foreclosure

The First Heritage Financial program works for credit unions of all sizes; from less than \$1 million dollars in assets to more than a billion. Get off the bench and get

“But now consumers are discovering credit unions can meet their housing finance needs at about the same time they are discovering credit unions as the source of local and trusted financial services that they want. There is a real synergy there.”  
 -Robert Dorsa, President, American Credit Union Mortgage Association

**Get in the Game!**

Kick-off your first mortgage program with a call to First Heritage Financial, a mortgage service provider founded and owned by credit unions and serving credit unions exclusively. The program is flexible. Whether you need to provide funds for your members to refinance their existing mortgage or provide a mortgage for a member to build or buy their dream home, First Heritage has the solution.

There are financing options for second and vacation homes. And investment properties, First Heritage Financial can help you help your members finance those as well (from one to four units). The First Heritage Financial Partner program provides access to more than 250 different mortgage programs including

in the game to help your members with their 1st mortgage financing needs. ❧

*If you have questions about the First Heritage Financial Partners program or general mortgage related questions, please call First Heritage Financial at 215-969-2889.*