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Amidst a Shaky Economic 2010, CU Members Mortgage Remains Steady

In 2010, CU Members Mortgage signed 44 new credit union partners, experienced 150% increase in loan applications (16,300 applications), and grew to 131 employees.

DALLAS, TX – January 14, 2011 – With the nation’s economy still moving at the speed of molasses – especially in the mortgage industry, CU Members Mortgage continues to buck this stagnate trend with another year assisting credit unions with mortgages that has kept their home loan activity steady throughout a challenging 2010.

Some noteworthy 2010 stats for CU Members Mortgage include:

- April – September 2010: 16,300 applications produced (up from 10,500 during same period in 2009)
- 150% increase in loan applications in 2010
- Increased staff from 95 in 2008 to 131 in 2010
- Signed 44 new credit union partners in 2010 (10 of which became FHA approved)
- 111 credit union partners became FHA approved in 2010

“In the midst of last year’s application boom [2010], we’ve watched MDIA and RESPA present challenges that have increased the time necessary to process a loan,” states Linda Clampitt, Senior Vice President of CU Members Mortgage. “We’ve watched investor guidelines become even more conservative and documentation requirements become more demanding. We are still awaiting loan officer compensation changes under new regulatory guidelines and don’t forget the S.A.F.E. Act is looming.”

Looking back to 2010, Clampitt recalls, the mortgage industry continued to see the stresses of regulation and compliance changes, making it more challenging than in years prior simply due to the continued drop in rates and the boom of applications that resulted.

In 2009, there was great focus on FHA loans becoming more available, requiring the need for credit unions to have a partner that could help them provide FHA loans on a sponsored level. This trend continued in 2010, but with an added edge that HUD was eliminating loan correspondents leading to big changes in the FHA approval process. This change became effective Jan 1, 2011. While it has changed the approval process creating a sponsored TPO program, CU Members Mortgage is still actively providing FHA loans for its partners.

Also in 2010, the tax credit expired signaling the end to the incentive that was helping so many buyers feel the need to purchase a new home – which may have been the primary motivator in the jump in mortgage applications last year. As the tax credit expired, however, rates were still low, which kept refinance applications flowing.

“What a whirlwind the last year was,” Clampitt says. “Little did we know that rates would continue their downward trend. We’ve watched rates amazingly hit below 4% for a 15-year mortgage, resulting in a surge of applications.”

For 2011 predictions, Clampitt adds that as the mortgage lending environment changes and becomes more rigid, specifically as the SAFE Act unfolds this year, staff will become experts in their field with registration and licensing, continuing education, and various other components that will make their expertise as specialized as other financial representatives such as financial planners and insurance specialists. As a result, an added number of credit unions will seek the expertise of mortgage aggregators, such as CU Members Mortgage, to provide what they have found is a necessary product for their membership to grow and the needed knowledge expected to stay compliant in providing such a product.

About CU Members Mortgage

Founded in 1982 as a division of Colonial Savings, Dallas-based CU Members Mortgage provides comprehensive mortgage services to more than 1,000 credit unions, CUSOs, and leagues nationwide. CU Members Mortgage originates more than \$3 billion in FHA, VA, and conventional loans each year. With a portfolio of \$13 billion, it is one of the largest servicers of mortgage loans in the United States. Advanced technology, including a dedicated website with an online mortgage application that delivers confirmation in minutes, makes CU Members Mortgage one of the industry’s leading resources for mortgage services. The company is privately held and has branches located nationwide. For more information, visit: <http://cu.homeloancu.com>.

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