



For Credit Unions, Marketing Makes the Difference

More than Just Buzz—It Means Business!

By Sharon Rush, Director, Marketing and Product Development

It's no secret in the industry that Credit Unions have only about a 2% penetration of the U.S. mortgage market. A major reason for this modest showing is that the public tends to take its mortgage business to banks and other financial institutions rather than their local Credit Union. Why? The answer could be marketing—or the lack of it.

Credit Unions that offer mortgage lending need to realize that many of their Members might not even be aware that getting a mortgage through their Credit Union is an option. At the same time, these Members are being continually bombarded with mailers, billboards, e-mails, letters, TV and Internet advertising, and other media that highlight the mortgage services provided by other lenders—the great mortgage rates available, the wide range of mortgage choices, the opportunities to refinance.

If your Members do know you offer mortgage loans, they still may automatically prefer a bank—because they think that only a bank can offer a relatively hassle-free, streamlined homebuying experience. Maybe they think that a mortgage loan at a Credit Union will be bogged down in paperwork and outdated technology for days, inconveniencing them and possibly jeopardizing the successful conclusion of their home purchase.

It's Time to Get the Word Out

Are you broadcasting the word in your community that you do offer mortgages? That your mortgage product offerings are competitive with those of other lenders? That your loan officers are capable, experienced and able to discuss



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the many loan options available and identify the best fit for individual Members? That you can provide the fast turnaround and up-to-date infrastructure that will ensure a smooth transaction? The mortgage market is crowded and competitive, so capturing attention is essential.

If you aren't getting the word out, you need to start picking up the bullhorn. Marketing can make the difference between being ignored and becoming a valued, trusted advisor for Members seeking mortgage-related services. Plus, no other loan product attracts new membership like a mortgage. To initiate or strengthen relationships that can last years, reap abundant referrals and grow your Credit Union, you need to market your services on a regular, focused basis.

What is marketing? Essentially, it's any activity you undertake that persuades your customers to:

- Seek you out
- Buy from you
- Refer others to you

Whom should you market to? Don't make the mistake of limiting your marketing to existing Members, though of course they'll be your biggest target audience. Market to non-Members, too, especially those who have a direct impact on the home loan financing decision—Realtors®, for example.

How should you market? Adapt your message to your audience. Members will want to know that you provide a full range of mortgage-related services, including many different kinds of mortgage loan products, and that you can make the homebuying process as easy and stress-free as possible.

And now is the time to promote your Credit Union as being ideally placed to match Members with appropriate loan products. Recent turmoil in the mortgage industry is attributable to the many lenders that were too focused on profits to properly assess their borrower's financial circumstances and ability to repay loans.

As nonprofits rooted in the community, you're better able than a bank to judge the financial circumstances of your Members and make loan recommendations that will work for them. Credit Unions have the advantage now. Leverage this credibility and reinforce your reputation of having Member interests at heart—rather than the profit margin.

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What kind of marketing should we use? See what your competitors are doing—if it works for them, it may work for you, too! One Credit Union executive sees value in getting the message out through as many channels as possible. According to Mike Manley, Assistant Vice President at Security Service Federal Credit Union, “Billboards, statement stuffers, signage in our branches, call on-hold messaging, ads in real estate magazines and newspapers, and brochures that our loan officers can hand out or mail to Members, are all useful. When we advertise in more mediums, the better our exposure is and additional loan production develops.”

How do we get started?

- **Investigate e-mail opportunities**—it’s inexpensive and immediate. Do your Members’ records include e-mail addresses? If not, start putting together an e-mailing list that you can use on a regular basis to notify Members about your mortgage services—rate changes, new products, refinancing opportunities.

Remember, Members may get a lot of spam on their home or business computers. Make sure that the Subject line of your e-mails clearly identifies your Credit Union, so recipients know who’s contacting them.

e-mail is especially important because it is the medium of communication for the younger generation. As Credit Unions increasingly cater to an aging population, reaching out to young people is essential. Talk to them in the medium they prefer!

- **Start a newsletter.** You should create two versions, one for Members and one for Realtors, who will appreciate getting something beyond a mere rate sheet. Prepare stories that give homebuyers solid information about your Credit Union’s mortgage services—the products available, how the mortgage process works, the value of pre-approval—and include quotes by satisfied Members.

Realtors, meanwhile, should get their own version that talks their language. Realtors want to know how your Credit Union can help them secure their commission. That means you should explain how fast your turnaround time is on loan applications, how competitive your rates are—provide examples—and what the trends are in homebuying. Consider dropping off the newsletter in person, so real estate agents can get to know your Credit Union on a more personal basis and you can hear more about their concerns.

- **Use the CMG MI Cooperative Marketing Program.** If you don’t have an in-house marketing department already or would like to supplement its activities right away, you should take advantage of CMG MI’s Cooperative Marketing program. Complimentary to Credit Unions and easy to use, our Cooperative Marketing program is available in English and Spanish and comprises a wide array of articles, statement stuffers, ads, point-of-sale posters and a brochure that explains mortgage insurance.

Simply send us your logo in TIFF format and any contact information you would like on the marketing pieces. We’ll take care of customizing the materials with your information and send you back a complete CD that you can download and print at your convenience.

You can see the complete Cooperative Marketing program at www.cmgmi.com/coopmarketing. Scroll down and click on the links to see PDFs of the materials.

- **Start or join a CUSO that offers marketing services.** A Credit Union Service Organization (CUSO) typically offers Credit Unions the opportunity to collaborate and share services that may be out of reach for individual Credit Unions. Marketing is one such service. In joining the CUSO, you can leverage the experience and expertise of other Credit Unions in reaching out to your Members. You can share best practices and pool resources to maximize your efficiencies and broaden your appeal to new or potential Members.

Mortgages Build Credit Union Success—So Market Them!

Remember, a Member with a mortgage is one of your most valuable customers. Mortgages are the single biggest transaction that most consumers will undertake in their lifetimes and could mean a long-term relationship with your Credit Union through servicing, refinancing and other activities that offer plenty of opportunities for referrals and repeat business. The mortgage itself means a bigger balance for your Credit Union and the ability to make more loans. Why *wouldn’t* you want to market your mortgage lending services? It’s simply good business sense.

And did you know that Members with mortgages are two to three times more likely to use other Credit Union services—auto loans, credit cards, college savings accounts—than a Member whose mortgage is with another institution? Can you really afford to let your Members go to someone else with their mortgage needs?

Good marketing can stop this from happening. It’s about more than just creating a buzz—it’s about building a relationship and establishing your Credit Union’s image as a trusted, reliable partner for your Members. Make sure you can deliver what you say you can. And always treat your audience with respect.

Marketing can open up doors for you and your Members. The time to start is now.



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