



## Get More than MI – from CMG MI

### CMG Mortgage Insurance Company Launches a New Mission in 2010

By Joe Dillon and Mark Berkowitz

In the last two years, the housing industry has experienced tremendous turmoil as residential real estate went from boom to bust with astonishing speed. The U.S. economy, dependent on housing, went through a major recession that continues to depress home prices, discourage homebuyers and concern mortgage lenders. The fragile nature of the nascent recovery in 2010 is in large part due to the continued unpredictability of the housing sector.

Many of the traditional approaches to mortgage lending and its related services have needed to be reassessed – and in many cases, discarded. The result is that some financial institutions have faltered. Credit Unions, which largely adhered to prudent lending practices and a community-oriented business philosophy during the real estate bubble, have reaped their reward in the form of increasing their mortgage lending market share to more than 5%. Homebuyers recognize the higher quality of personalized service that Credit Unions provide and are deserting banks to take advantage of that service. To help them maintain that high quality, Credit Unions expect more from their vendors and service providers.

When CMG Mortgage Insurance Company (CMG MI) was launched in 1994, our mission was to establish a beachhead for Credit Union interests within the larger private mortgage insurance (MI) space. Over the years, we have successfully carved out and grown that space. Other MI providers have been compelled by the competitive pressure we represent to extend to Credit Unions



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*Joe Dillon and Mark Berkowitz are the joint Senior Vice Presidents and General Managers of CMG Mortgage Insurance Company (CMG MI), respectively representing parents CUNA Mutual Group and PMI Mortgage Insurance Co. Joe came to CMG MI in 2009, transitioning from his position as CMG's Products Executive for Credit Union Protection, where he managed the financial aspects of the Bond Program, Special Insurance Package, Collateral Protection and Property & Liability. Mark joined CMG MI in 2004 as Vice President for Underwriting and Operations, supervising underwriting, risk management, servicing and loss mitigation. He was promoted to his present position in 2008.*

the special rates, guidelines and programs that CMG MI pioneered 15 years ago.

Our approach during this time focused on the value we brought to Credit Unions – “No One Brings You More.”

#### **In 2010 and Beyond, Credit Unions Want More. CMG MI Offers More.**

Fifteen years later, CMG MI understands that the original dynamics have changed completely. Credit Unions have achieved a new importance as trusted financial institutions. They face oppor-

tunities and market pressures that have no precedent. “Business as usual” is no longer acceptable.

CMG MI embraces this revolution. Over the past year, our company has made significant changes in the organization to improve accessibility, quality and ease of use for services like Underwriting, Loss Mitigation, Claims, Customer Service and Training. We're proud to announce that our new corporate tagline is **CMG MI. More than MI.**

**More** is what we intend to deliver to our Credit Union customers – through risk management, training, loss mitigation and other services critical to mortgage lending success.

#### **More than MI – Expert Risk Management Guidance**

Over the past two years, mortgage lenders have had to re-learn the value of credit risk management. The impact of fraud, delinquencies and foreclosures on Credit Unions can be measured in higher pricing, reduced access to loan products, servicing expenses and lowered profitability, which all have their effect on your members.

Helping Credit Unions identify future risk and evaluate strategic opportunities by providing them regular access to selected economic forecasts like the ERET (*Economic & Real Estate Trends Report*) and HaMMR (*Housing and Mortgage Market Review*) is a priority at CMG MI. Moreover, to train Credit Union leaders in the actual mechanics of reducing exposure to risk, we've created a new series of Secondary Market Webinars that are complimentary to

customers. CMG MI's Secondary Market Director, Alan Bahr, a veteran of Wall Street and international finance, will be conducting these courses throughout the year to educate attendees in the strategic understanding of risk management and demonstrate how to leverage the various options available for the benefit of their Credit Union and their members.

On a day-to-day level, CMG MI works to improve the quality of Credit Union originations through our highly experienced Underwriting Network. Our underwriters have been coached extensively in "Back to Basics" techniques, appraisal reviews and fraud detection in order to minimize not only our exposure but the risk to our customers' portfolios as well. Helping our customers match mortgage products appropriately to their members is a key component of our drive for sustainable homeownership.

**More than MI – New Training and Education Opportunities for Credit Unions**

Training is only as good as the circumstances it prepares you for. CMG MI is committed to providing up-to-date training that reflects the mortgage world as it is now – not two years ago, not last year, and not as it should be "in the best of all possible worlds." This year, we're pleased to announce that CMG MI has revamped our Webinar training to include some new offerings pertinent to the current environment, including *Reviewing Personal Tax Returns*, *Reviewing Business Tax Returns*, *Underwriting: It's All About Risk*, *Appraisal Review Challenges* (in addition to the popular *Appraisal Review Basics*) and *Why You? Communicating Value*, which teaches Credit Unions how to compete effectively in a commodity industry.

We're aware that costs are a concern for Credit Unions in a slumping economy. To help our customers, nearly all of our training menu consists of complimentary Webinars. The Webinar format has the

added advantage of being more convenient for busy Credit Union staff, since it requires only an Internet connection and a phone line to help you learn right from the desktop. Visit [www.cmgmi.com/webinars](http://www.cmgmi.com/webinars) to see the complete schedule through May and registration instructions.

We're also pleased to announce that we have updated the *Introduction to Mortgage Lending* course as *Mortgage Lending Fundamentals* to better reflect the nature of the training it provides. A 2-day session, this course should be a part of every Credit Union employee's training, from new recruits to veteran staff. The market is changing so rapidly that taking the course to refresh skill sets, understand where the market is going and compete aggressively is a smart strategy for Credit Union management.

**More than MI – Innovative, Proactive Loss Mitigation to Preserve Homeownership**

The great CMG MI success story for our customers over the last year has been the work of our Loss Mitigation & Claims initiatives. The recession has been an endurance test for Credit Unions seeking to keep members in their homes and CMG MI has been with you every step of the way. We have vastly expanded the loss mitigation resources at your disposal by training our Sales staff and Underwriting Network to act as the front-end contacts for Credit Unions that need assistance with delinquency reporting or loan modifications.

On the back end, we have beefed up our Loss Mitigation department's capa-

bilities by adding staff, creating a centralized repository for loss mitigation support on our Website at [www.cmgmi.com/lossmit&claims](http://www.cmgmi.com/lossmit&claims), and launching the new CU HomeKeepers suite to harmonize with and support the government's HARP and HAMP programs. In 2009, CMG MI was able to prevent more than 600 foreclosures and help Credit Unions keep more than 2,900 members in their homes. For 2010, we will continue to provide more high-quality loss mitigation support for loan modifications and refinances, seek to prevent more foreclosures and work with you to provide more options with delinquent loans.

**So Get More than MI from CMG MI!**

As we move into 2010, we've all heard a lot about expecting less – from the economy, from the government, from business. CMG MI plans to be about delivering **more**. We value the unique character of Credit Unions – the cooperative, nonprofit business ethos, the focus on building a close-knit, community-based organization dedicated to helping individuals with their financial needs – and are committed to facilitating the movement's member-oriented goals through our products and services.

Credit Unions deserve **more**. Their performance during the housing bubble was exemplary, compared to the high-risk approach of other mortgage lenders. During the next decade, Credit Unions can be expected to emerge as the preferred financial institution of many Americans, who will rightly count on receiving more personalized service, higher-quality mortgage loans, and more community focus. CMG MI will support that future – by being **More than MI to Credit Unions**.

*CMG Mortgage Insurance Company (CMG MI) supports sustainable homeownership with products and services that can help Credit Unions keep members in their homes. What are the challenges to homeownership in your community – and how can we help? Let us know what you think and what we can do for you by contacting your CMG MI Account Executive or sending an e-mail to [CMGMortgage.InsuranceCo@cmgmi.com](mailto:CMGMortgage.InsuranceCo@cmgmi.com)*



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