

# CREDIT UNION TIMES

[Advertise](#) | [Contact Us](#)

- HOME
- SECTIONS
- CLASSIFIEDS
- PODCASTS
- DIRECTORY
- CALENDAR
- SUBSCRIPTIONS

Welcome!  [Log into Credit Union Times](#)



## Many Credit Unions See a Dramatic Increase in Mortgage Lending

October 15, 2008

[E-Mail this article](#) | [Print this article](#)

By [Lisa Burden](#)

BALTIMORE — The collapse of many subprime mortgage lenders and the liquidity crunch have combined to provide many of the nation's credit unions with a surge in mortgage volume.

Nancy Debona, assistant vice president of lending operations for Navy Federal Credit Union, said the credit union has experienced a 22% increase in mortgages compared to last year. Debona attributed the increase to the trust that people have for credit unions and the good deals they can offer.

Linda Clampitt, senior vice president of CU Members Mortgage, said the 900 credit unions signed up with the company have reported a 15% increase over the past fiscal year.

North Carolina-based Truiliant Federal Credit Union saw an increase in closed mortgage loans of 39% from January 2008 through June 2008 when compared to the same period in 2007. The credit union reported a 22% increase in closed mortgages in September even though year-to-date home sales in North Carolina have declined 25%.

Virginia-based DuPont Community Credit Union recently concluded a four-month advertising campaign that substantially increased its mortgage loan numbers.

DCCU's four-month promotion cost \$59,000 and used a combination of print, radio and television ads. A DCCU spokesman said 67% of the advertising budget was spent on broadcast and cable TV stations. The average purchase loan amount was \$161,000. The total gross mortgage loans for the period was \$31.5 million. Net mortgage loans for the period reached \$17 million. Eighty-nine percent of the loans were ARM products.

DCCU increased its net mortgage loan balances during the promotion by 72% over the same period last year.

Even California, long thought to be moribund, is starting to pick up.

Terrin Griffiths, an economist and industry analyst for the California and Nevada Credit Union Leagues, said California's credit unions saw an increase in mortgage volume from 2007 to 2008. Fixed mortgage volume for the second quarter of 2008 is up, moving from 6.76% to 11.02%.

"It definitely shows an increase in activity and volume on behalf of California's credit unions," she said.

Large cities in California such as Los Angeles and San Francisco are

### Most Popular Articles

- [Fitch Downgrades Three Corporates](#)
  - [Frank Praises Credit Unions at House Hearing](#)
  - [CUNA Urges Regulatory Relief for Credit Unions](#)
  - [Intermountain Seeks Merger With America First](#)
  - [Find Shared Branches on Your GPS](#)
- » [Go to Complete List >>](#)

ENROLL NOW, AND START TEMPTING NEW MEMBERS RIGHT AWAY.

**Credit Union 24**  
It's Your Network.

CLICK HERE TO GET STARTED

showing growth in mortgages obtained from credit unions. Information on the San Diego market was not available by press time.

Griffiths said a decline in home prices combined with the number of lenders going out of business is combining to lead to a reemergence of buyers into the Golden State housing market.

Callahan and Associates provided information on a nationwide basis. Callahan reports that first-mortgage loan originations by the nation's credit unions surged during the first six months of 2008, up 40% over the same period in 2007. The Mortgage Bankers Association reports originations for bankers at 17% below 2007 originations.

Overall loan volume for credit unions is reaching record levels, with \$134 billion in loan activity outpacing 2007 volume by 9%, according to second-quarter data for the industry.

But then there are credit unions that have a far different story to tell.

William Duke, director of mortgage sales and service at Space Coast Credit Union in Florida, said actual closings have dropped at least 50%.

Money isn't the problem, Duke explained. "We have the supply of money, but there is no demand," he said.

"People don't know what to do. The market is stagnant," he added.

But there is a bright spot—Space Coast's market share is growing even though its mortgage volume has dropped. The mortgage market is shrinking as lenders exit the market, he explained, but the credit union's impact on the mortgage market is increasing.

Space Coast isn't giving up, Duke explained, adding that many people still need mortgages and refinances. The credit union is expanding its market by having outside loan officers call on realtors, and it is signing up to offer FHA loans.

"We have a strong portfolio. We're willing to hold loans," he said.

Gold Coast Federal Credit Union in West Palm Beach shares Space Coast's pain. Robert Delaney, president/CEO of Gold Coast Federal Credit Union, said the credit union's mortgage business has decreased 50% percent from last year to 2008. He attributed the numbers to a decline in home values and a high level of unemployment, causing problems with refinancing and purchasing real estate.

To combat the problem, Delaney said the credit union is signing up for FHA loans as well.

□—burdenlisa@yahoo.com

» [View the October 15, 2008 Issue of Credit Union Times](#)



[Industry Links](#) [About Us](#) [Privacy Policy](#) [Site Map](#) [Advertising Information](#)

(c) 2008 *Credit Union Times*. A Highline Media publication. All rights reserved.  
[www.highlinemedia.com](http://www.highlinemedia.com) | [www.summitbusinessmedia.com](http://www.summitbusinessmedia.com)

---