



THE LAST WORD

Tracy Ashfield



A Cooperative Effort Against the Competition

We hope this issue of the *Pipeline* has convinced you that to be successful as a mortgage lender, your credit union must embrace a strategy to become relevant to people buying homes.

Our guest contributors shared lots of the “whys” it is necessary and also many of the “hows.” We focused on first-time homebuyers, and we appreciate the credit union members who were willing to share their stories.

I know mortgage lending is not an easy path for CUs to follow. There are so many formidable competitors, and they are growing by the day. We must be smart.

When players like Amazon get into the mortgage business they have one distinct advantage: They are already a part of life for many consumers. I know many people who interact with Amazon weekly, buying everything from Amazon’s first-offering books to everyday needs like groceries and diapers.

Amazon is known as fast, easy and price-competitive. They usually avoid hidden or hard-to-understand fees (a huge plus for consumers) and they rarely disappoint despite high expectations from customers. And if they make a mistake, or sell you a product you don’t like, it’s easy (and free) to return it (another big plus).

Who wouldn’t want a mortgage lender that is fast, easy, price-competitive and gives great service?

We don’t know yet whether Amazon will be able to carry their brand and ease of use to the mortgage transaction,

but we can’t assume they won’t be able to succeed with these loans, too.

Zillow is another one to watch. They have tremendous name recognition and are often one of the first sites that renters start watching when they are considering buying their first home.

Zillow’s distinct advantage is being in front of homebuyers very early in their journey. They aren’t only “in front,” they stay with them throughout. Clearly as that “relationship” grows Zillow will be in a unique position to tap into that relationship and be there for the financing step in the journey.

I would be remiss if I didn’t mention Quicken/Rocket Mortgage. They are without question a marketing marvel! Their name recognition is probably unmatched in the housing finance industry.

I don’t bring up these competitors to discourage you. No, I want them to encourage you. I want them to remind

you that name recognition matters and being relevant to your members and potential members is crucial.

But we need to be realistic. Few credit unions can afford the naming rights to a sports arena or even television and radio ads. So I will offer a suggestion.

THE COOPERATIVE SPIRIT

Credit unions are non-profit cooperatives. Let’s consider how we can “cooperate” to increase the awareness of credit unions as relevant partners in this homebuying journey. Credit unions have competitive products, and pricing. What we still need is more awareness of our value.

As you build your spring marketing and business plan for growing mortgage loans, consider opportunities that you could do cooperatively with other credit unions.

For example could you join forces with a few area credit unions and plan a big exhibit at a state Realtors convention? Or, are you a good construction lender? How about finding a few others and renting an impressive exhibit at the homebuilders show in your region or state.

Don’t dismiss opportunities because you don’t have the resources to do it alone. Yes, I know many of you are thinking: “But they are my competitors.”

Yes, that may be true, but I believe in the adage, “When the tide goes up, all the boats in the water rise with it.” ▲

Tracy Ashfield is president of Ashfield & Associates, a consulting and training business that assists credit unions with mortgage lending. She also works with NCUA to provide training and education on residential mortgage lending for examiners and regulators, and with ACUMA.



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