



Communication, Flexibility Contribute to Mortgage Lending Success

Kitsap CU Partners with Vendor to Improve its Mortgage Operation for Employees and Members

By Alison Barksdale



Solid lending practices have built a strong foundation for credit union mortgage lenders over the years. Kitsap Credit Union has been successful in the lending business for more than 50 years.

The \$1 billion-asset credit union based in Bremerton, Washington had found success by partnering with a correspondent mortgage lender. Amid increasing regulation and rising costs, the CU made the decision in 2013 to outsource its mortgage department when it was making other operational changes.

“We were aware of all the changes happening in mortgage regulations, and we had a core conversion coming up,” recalls Real Estate Lending Operations Manager Vicki Williams.

“We took a step back and evaluated the situation, and determined it was time to cut costs and see how we could best serve our members,” Williams said. “Outsourcing made sense.”

FINDING THE RIGHT PARTNER

The Kitsap team began in earnest its due diligence for a mortgage solutions provider, seeking a way to cut cost and risk and allowing the CU to put its focus on the core conversion. Kitsap wanted its members to have a seamless transition from an internal credit union program to an outsourced vendor with a full, onsite staff.

“We felt the marketing of the program would be vital to show how the credit union wasn’t exiting mortgage lending, but making changes to better serve them,” Williams said.

The credit union had learned under its previous lending model, which used a sub-servicer, that retaining the servicing would be imperative in the next model, she said.

“Members are happy when they know who they are making their payments to,” Williams said. “Under our old model we weren’t able to assist members with anything that came up once the loan was sold because the

servicer didn’t consider us part of the transaction. That frustrated the members and us.”

Ultimately, the credit union chose to work with CU Members Mortgage to provide home loans to its members. The decision gave Kitsap flexibility to choose a program that would best fit its needs—and, as time would tell, continue to refine the processes.

FINDING THE RIGHT FIT

In the beginning, Kitsap entered that partnership with a program level “that we thought was the right fit for us,” Williams said. “But after a few months, we decided we really wanted more involvement with our members” and transitioned to a more advanced level.

Williams said Kitsap has found flexibility to be its biggest advantage. “We learned through trial and error that we needed to adjust a few things to make the program work best for us,” but she learned that communication would play a key role in making the transition successful.

To enhance the program, “We often bring up new ideas on something we’d like to implement,” Williams said. “Often, we learn something new in their training, and it has also influenced us to make changes.”

Having a partner willing to collaborate is a key to success.

For example, Kitsap found that its internal home equity department

could handle more responsibilities by taking new applications.

“We began training internal staff, who already knew our members, to understand how to talk with them about home loans,” Williams said.

With several staff trainings, Kitsap built a back office team to work with CU Members Mortgage on specific tasks. That provided the opportunity for several in-branch staff to work with members on-site while outsourcing the rest to CU Members Mortgage. It was a great fit.

“We are pleased with our production, and plan to do more,” Williams said. “Inventory may be lacking in our area, but we are still receiving many ‘pre-quals’ and use those as touch points to congratulate our members and stay in contact.

“We spread out calls among our team and contact members every 30 days, and we find it better serves our members if we can show them what we have to offer while they search for a home.”

Kitsap Credit Union continues to be a success in lending by being flexible and considering all of its options. The CU’s innovative thinking during the transition provided the best solution for the credit union and its members. ▲



Vicki Williams

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