

The ACUMA logo is centered in the upper half of the page. It consists of the letters 'ACUMA' in a bold, teal-colored, sans-serif font. The background of the entire page features a repeating pattern of light gray chevron shapes pointing upwards, creating a textured, geometric effect.

ACUMA

Making the Case for Mortgage Lending Within Credit Unions

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AMERICAN CREDIT UNION MORTGAGE ASSOCIATION (ACUMA)

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EXECUTIVE SUMMARY

Financial institutions—more specifically, credit unions—must have strong lending programs to grow as institutions and provide members with generational wealth.

Mortgages are a cornerstone service that helps build stronger bonds between members and their credit unions. Under the best circumstances, the credit union becomes an invaluable financial and resource partner to its member-borrowers.

However, not all credit unions have adequately met this critical fiduciary duty to their members. Now more than ever, it seems like the right time for us to take the time to better understand how we can best serve our members' mortgage needs in this rapidly changing market.

ACUMA and its resources have become a trusted educational partner to its member credit unions, helping them become the very best mortgage lenders they can be. Given the rapidly changing marketplace, the key concern for credit unions is developing their abilities to provide mortgages that offer the greatest benefit to both the institution and the individual borrowers. As you will see in pages to come, ACUMA has multiple answers to that question and the resources necessary to help credit unions of all sizes excel in their mortgage programs.

TAPPING A GROWING MORTGAGE MARKET & FULFILLING INCREASING MEMBER NEEDS

Credit unions were founded on the simple principle of “people helping people,” with a fiduciary and moral obligation to serve the financial needs of their members and communities, particularly those overlooked by banks and other providers. However, many credit unions have not done enough to fulfill this responsibility when it comes to mortgage lending.

Despite having the tools and community-focused mission to lead in this space, credit unions collectively hold a disproportionately small mortgage market share, hovering around 10% in recent years. This represents a significant underperformance considering the credit union's mission and strong relationships built with members. There are more opportunities available to promote homeownership, especially among first-time buyers, low-to-moderate-income borrowers, and communities of color.

Our time to act is now. The deregulatory environment in Washington, D.C., and the massive shift in priorities, is creating both challenges and opportunities. Credit unions must live up to the promises made when the first credit union was established in Manchester, New Hampshire, more than a century ago in 1909 to serve all members, meeting those members' financial needs with equal opportunity and purpose.

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The term “generational wealth” tends to be overused. But credit unions are well positioned to help members' families financially through a number of products on both sides of the balance sheet, assets and liabilities. Some would say the CUs are best positioned of any lender, given their roots in communities and companies, financial wherewithal, and “can do” attitudes.

ROB & ROBBIE CHRISMAN
CHRISMAN COMMENTARY

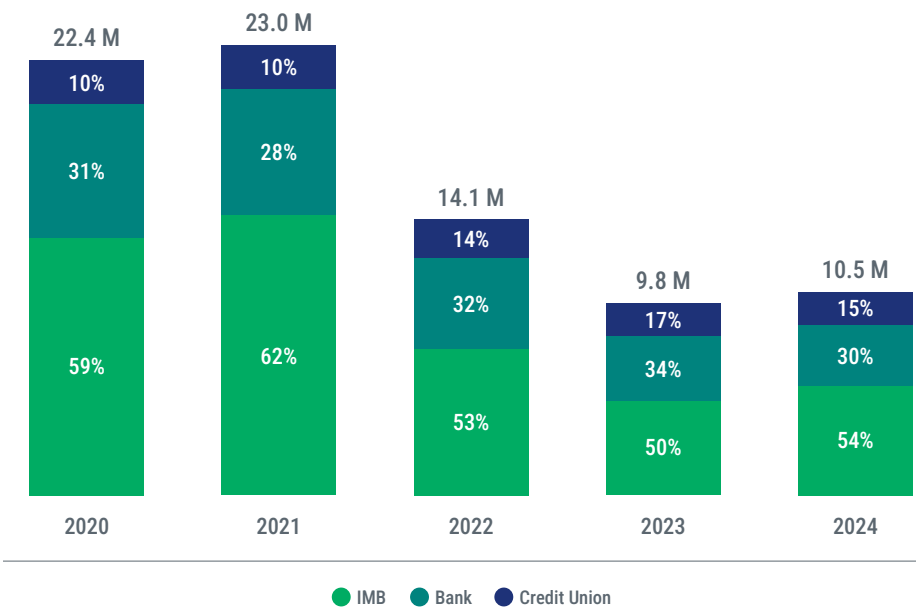
Today, both lenders and borrowers are facing a market that seemingly changes with every news cycle. But borrowers still want to be part of the American Dream of Homeownership, and credit unions, in the interest of offering comprehensive member service, are obligated to provide mortgages to those who qualify. That's a win-win in my book.

But how big is that market, and where do credit unions sit in terms of market share and other key measures? ACUMA Affiliate Member and ACUMA Services Service Provider, iEmergent, has provided the following key characteristics of the current dynamic market to help put credit union mortgage programs into the proper perspective.

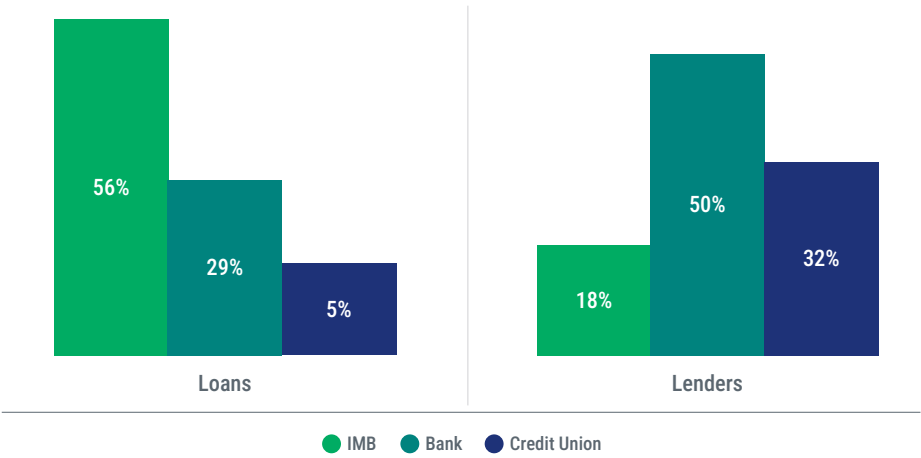
CREDIT UNIONS:
BROAD REACH, UNTAPPED POTENTIAL
IN MORTGAGE LENDING

Credit unions are steadily expanding their role in the mortgage market, growing their share of applications from 10% in 2020 to 15% in 2024; even as total mortgage volume declined by more than half over the same period (we know this, we’ve experienced it). This rise signals growing member trust and organizational resilience, especially as Independent Mortgage Banks (IMBs), also known as non-bank mortgage lenders, and banks have contracted or plateaued.

Applications by Lender Type – 2020-2024



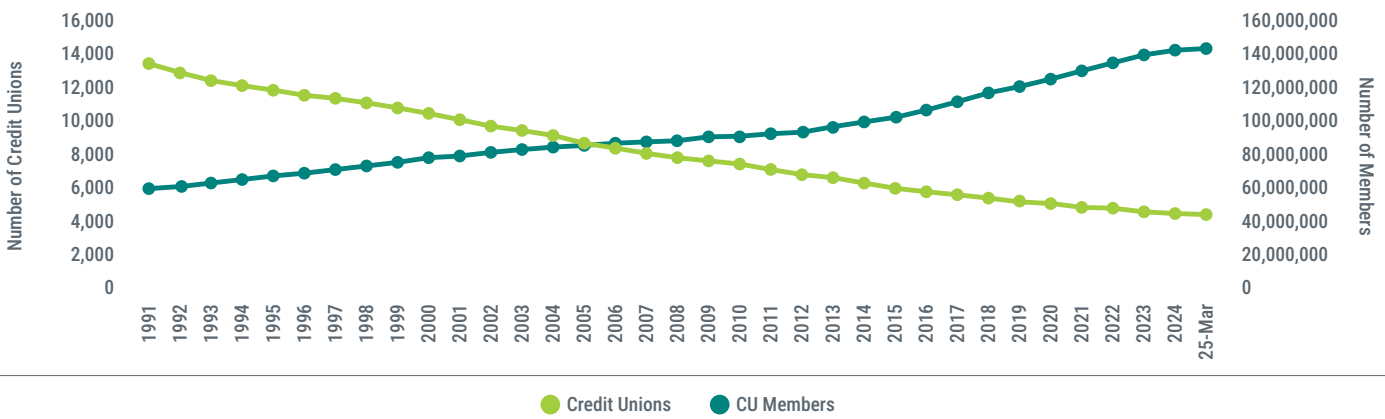
2024 Market Share: Loans vs. Institution Count



However, this still shows a significant opportunity gap for credit unions. As illustrated in the chart “2024 Market Share: Loans vs. Institution Count,” credit unions make up 32% of all mortgage lenders but generate only 15% of total loan volume. In stark contrast, IMBs originate 56% of loans despite comprising just 18% of all lending institutions. This disparity underscores a central challenge: we have to scale, we have to invest in mortgage, and we’re not yet leveraging our full potential.

This is further illustrated in the chart “Number of Credit Unions and Credit Union Members.” While the number of credit unions has steadily declined from more than 13,000 in 1991 to fewer than 5,000 in 2024, membership has surged to over 140 million. The modern credit union is larger, more technologically equipped, and positioned to serve a growing, diverse base. Yet this strength has not yet translated into proportional influence in mortgage lending. Why is that? It’s a rhetorical question.

Number of Credit Unions & Credit Union Members



Finally, when we examine the types of loans being originated (“Loans by Purpose and Lender Type, 2020–2024”), we see that credit unions are underrepresented in purchase loans, which we could consider to be the most strategically valuable segment of the mortgage market. In 2024, credit unions held just 7% of the purchase market, while IMBs dominated with 68%. However, credit unions are gaining notable ground in refinance lending, rising from 9% in 2020 to 16% in 2024. We maintain a steady share of home improvement and “other” purpose loans, areas that suggest member-focused lending activity and product flexibility such as construction, renovation, and others.

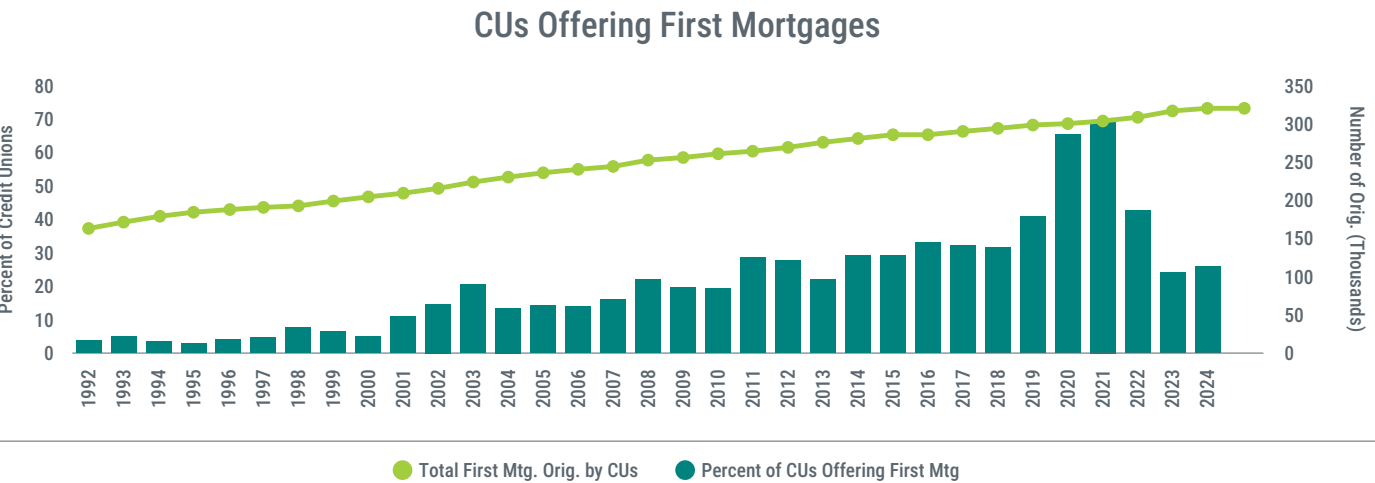
These trends signal both progress and potential. Unfortunately, by successfully navigating refinance and niche lending, we are missing significant opportunities in the core purchase market. The one segment [purchases] is needed to sustain, grow, and improve homeownership.

But suppose we close the gap between [purchase] affordability and impact. In this case, we must intentionally invest in our mortgage operations, including talent, technology, secondary market capabilities, and outreach to first-time homebuyers and underserved communities (more to come on this later in the paper). We must know our data inside and out, identify our areas of opportunity, and, more importantly, know how to grow in the areas where we excel.

The infrastructure is in place, and the membership is growing. What’s needed now is a strategic commitment and investment in mortgage lending at scale, turning cooperative strength into generational impact through homeownership.

SO, WHY SHOULD CREDIT UNIONS FOCUS ON MORTGAGE LENDING IN TODAY’S MARKET?

Given today’s competitive financial landscape, credit unions must continuously seek opportunities to grow, differentiate, and better serve their members. Investing in a strong mortgage division is not just a strategic move; it’s a mission-driven initiative that fosters long-term member relationships, enhances financial stability, and strengthens the credit union’s market position.



This chart tells a powerful story of both evolution and opportunity. Over the past three decades, the percentage of credit unions offering first mortgage products has steadily risen, from just 38% in 1992 to 74% by 2024. This growth reflects a broadening institutional commitment to serving members’ homeownership needs and suggests that mortgage lending is no longer a niche offering, but a core function within the credit union model.

However, the volume of first mortgage originations (represented by the orange bars) tells a more volatile story. After steady growth through the 2010s, origination volume peaked sharply in 2020 and 2021, corresponding with the COVID-era rate drop, which brought sub-3% interest rates, and the refinance boom before contracting again in 2022 and 2023. While origination volume has ticked up slightly in 2024, it remains well below its pandemic-era highs.

This contrast between long-term institutional participation and short-term volume fluctuations underscores a crucial insight: the infrastructure is in place, but consistent scale has not yet been achieved. With 74% of credit unions now offering first mortgages, the foundation exists for meaningful impact, but capitalizing on that foundation requires investment in talent, technology, and member outreach to sustain mortgage growth beyond rate-driven cycles.

“From the CU’s perspective, they know the member, have certain financial records, and understand the member’s family and needs. Who better to offer assistance to during the largest financial transaction of their life?”

ROB & ROBBIE CHRISMAN
CHRISMAN, LLC

Here are the top five reasons why we must continue to focus on establishing or expanding a mortgage lending program as a priority for every credit union committed to sustainable growth and member success:

1. Member Retention and Engagement:

Offering mortgage products fosters deeper relationships with members, increasing long-term engagement and cross-selling opportunities for other financial products.

- + Home financing is one of the most significant financial transactions a member will undertake, making it an ideal relationship-building product.
- + Mortgage members are likelier to use additional credit union products like checking accounts, auto loans, and home equity loans.
- + By providing a seamless mortgage experience, credit unions can build lifelong relationships, thereby reducing member attrition.

2. Mission Alignment: Credit unions exist to serve their members’ financial well-being. Affordable home financing supports this mission and reinforces the credit union’s role in helping members build wealth.

- + Credit unions are member-owned, not-for-profit institutions focused on financial well-being, and homeownership is a key driver of financial security.
- + Many credit unions offer first-time homebuyer programs, low down-payment options, and financial education, reinforcing their commitment to community development.
- + Offering affordable mortgages differentiates credit unions from banks and non-bank mortgage lenders that may prioritize profit over member well-being.

“CUs have an opportunity to meet a void in their communities... It goes back to a credit union’s roots, enabling it to be a pillar in the community by helping people.”

ALI NISSARIAN, CMB
LAFAYETTE FCU SVP OF LENDING SOLUTIONS AND SECONDARY SALES

3. Community Impact: Credit unions are crucial in supporting homeownership within their communities, driving economic stability, and fostering stronger local economies.

- + Homeownership strengthens communities by fostering members’ financial stability, increasing property values, and driving local economic growth.
- + Credit unions can tailor mortgage programs to underserved populations, helping more members achieve homeownership.
- + Community-focused mortgage initiatives, including first-time homebuyer programs and down-payment assistance (e.g., those offered through the FHLBank system that IMBs do not have access to), reinforce credit unions’ roles as community advocates.

4. Diversification of Loan Portfolios:

A strong mortgage portfolio helps diversify the credit union’s lending mix, balancing risk across different loan types and reducing reliance on auto and personal loans.

- + Overreliance on a single loan category, such as auto loans, can expose credit unions to industry-specific downturns.
- + Mortgage lending spreads risk across different loan products, balancing income streams and reducing overall portfolio risk.
- + A diversified loan portfolio improves resilience during economic downturns when certain loan types (such as credit cards) may experience higher default rates.

5. Secondary Market Opportunities:

Selling mortgages on the secondary market to investors, such as Fannie Mae and Freddie Mac, provides liquidity and income while allowing credit unions to continue serving members with new loans.

- + Credit unions can sell mortgages to the secondary market to generate liquidity and revenue.
- + Loan sales free up capital, allowing credit unions to continue lending while still earning servicing income on sold loans.
- + Mortgage-backed securities provide investment opportunities, further strengthening the balance sheet.

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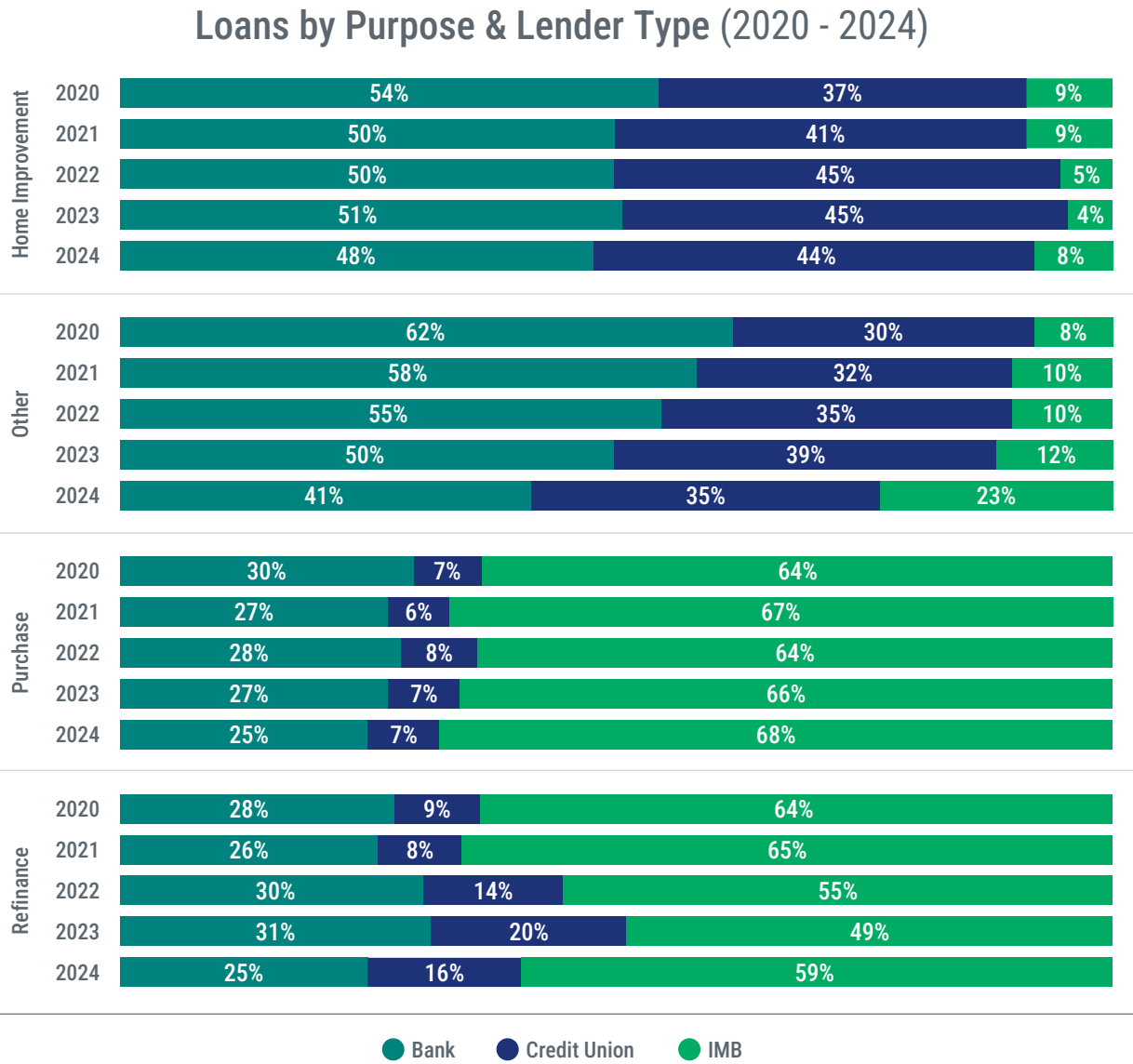
Mortgage has added several thousand new members to the credit union and while we are still perfecting our onboarding experience by providing long-term member engagement to the credit union, we can certainly point to added home equity volume, home insurance , title and car loan volume also. I believe the members certainly see the value of having one place to do all your financial needs and we certainly take pride in that.

DAN SUGG, CMB
CHIEF MORTGAGE LENDING OFFICER,
MICHIGAN FIRST MORTGAGE

As we invest in mortgage lending to build long-term value for our members and drive institutional growth, it is equally important to recognize where gaps remain. Strengthening mortgage operations is not just about expanding volume; it’s about ensuring equitable access for all members. To truly fulfill our mission, we need to examine whether our current practices are reaching the full diversity of our membership.

UNLOCKING CREDIT UNION GROWTH THROUGH PURCHASE LENDING

Over the past five years, credit unions have made measurable progress in mortgage lending, particularly in refinance, home improvement, and niche loan categories (i.e., “other” types of lending). According to the latest data, credit unions increased their refinance loan share from 9% in 2020 to 16% in 2024. They consistently participated vigorously in home improvement and “other” purpose loans (including construction, second homes, land loans, and bridge financing). These gains reflect the industry’s adaptability and commitment to member needs.



However, a glaring gap remains in purchase lending, the most strategically vital and sustainable mortgage market segment. In 2024, credit unions captured just 7% of purchase originations, well below the 68% held by IMBs and 25% by banks. This

persistent underperformance underscores a missed opportunity, especially considering that purchase loans are foundational to homeownership and a gateway to deeper, longer-lasting member relationships.

So what do I mean? A purchase mortgage is often the entry point into a credit union for new members, particularly first-time homebuyers. These transactions drive growth far beyond the loan itself. New mortgage members frequently open checking accounts, establish direct deposit, utilize digital banking, and eventually turn to their credit union for auto loans, credit cards, and home equity products. Moreover, research shows that mortgage members hold higher average deposit balances and demonstrate significantly higher retention over time compared to non-mortgage members.

In this sense, purchase lending is not just a loan; it's a relationship accelerator that expands both the member base and the deposit portfolio. Credit unions that underinvest in this channel risk missing out on the full lifetime value of potential members, particularly younger, more mobile generations seeking holistic financial partnerships.

To close the gap, credit unions must prioritize outreach to first-time homebuyers, invest in digital mortgage platforms, deepen relationships with realtors and builders, and enhance staff training on purchase readiness. Expanding access to the secondary market will also be critical for increasing liquidity and scale. The infrastructure is already in place, as we already talked about: 74% of credit unions offer first mortgages, but transforming presence into performance requires a strategic commitment to growth.

By focusing on purchase lending, we can grow market share, deepen member relationships, and drive long-term deposit and membership growth, while delivering on our mission to serve our communities and provide them with affordable homeownership opportunities.

Importantly, CUSOs enable credit unions to participate in the mortgage market without overextending their balance sheets. This keeps the member experience centered within the credit union, even as liquidity and risk are managed more effectively.

As the mortgage landscape becomes more competitive and resource-intensive, CUSOs provide a cooperative solution that

aligns with the credit union's mission. They allow institutions to extend the benefits of homeownership to more members, even if they lack the infrastructure or balance sheet capacity to do so alone. In this way, CUSOs are not only service providers but strategic enablers of growth, ensuring that no credit union is left behind in the effort to expand affordable, community-focused mortgage lending.

LEVERAGING CUSOS TO BRIDGE THE MORTGAGE INFRASTRUCTURE GAP

While many credit unions are expanding their mortgage capabilities, not all institutions have the infrastructure, liquidity, or staffing to scale these programs on their own. This is where Credit Union Service Organizations (CUSOs) play a critical role. CUSOs were created to help credit unions collaborate, pool resources, and access services that might otherwise be cost-prohibitive for individual institutions. In mortgage lending, they serve as powerful partners that can help fill operational and strategic gaps, enabling credit unions of all sizes to compete more effectively while fulfilling the fiduciary responsibility to support the communities we serve.

CUSOs can provide end-to-end support across the mortgage lifecycle: from origination and underwriting to secondary market sales and loan servicing. For smaller credit unions, this means the ability to offer members competitive mortgage products without the need to build

in-house departments or assume outsized portfolio risk. For larger institutions, CUSOs offer scale efficiencies, technology partnerships, and compliance expertise that allow them to grow mortgage lines sustainably.

HERE'S HOW ACUMA CAN HELP

As president of the American Credit Union Mortgage Association, I am proud of the services we provide and the broad range of resources we offer to help credit unions cultivate and grow successful mortgage programs. That's why we exist, and all our educational efforts are geared to making you an even more successful mortgage lender. In addition to our truly amazing in-person events, here's a short list of resources ACUMA provides to our members:

- + **ACUMA Services:**
A marketplace through which credit unions and CUSOs can connect with providers and other organizations and receive industry-leading discounts on their services and offerings.
- + **ACUMA Subscriptions:**
A site that enables you to subscribe to services you need and skip what you don't.
- > **Benchmark Report:**
HMDA Data: An exclusive report packed with analysis from the latest HMDA data, providing credit unions with a competitive lens into their credit union's performance and how they stack up compared to others.



ACUMA continues to be the only industry resource that is solely focused on credit union mortgage movement and we find that truly valuable. We certainly use market volume reports from ACUMA and we find that the ACUMA community both in person and through the web provides valuable insight and real time information for our every changing landscape.

DAN SUGG, CMB
CHIEF MORTGAGE LENDING OFFICER,
MICHIGAN FIRST MORTGAGE

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- + **ACUMA Insights:** A series of monthly publications focused on critical areas of interest that impact credit unions and are intended to be quick reads and provide a high-level overview of the topics. ACUMA Insights, published throughout the month, includes:
 - > **Washington Insights,** which provides ACUMA members with events occurring in Washington, D.C., including actions by NCUA, FHFA, CFPB, and Congress, as well as other issues;
 - > **Market Insights,** which discusses industry standards and benchmarking metrics for mortgages and home equity loans;
 - > **Top Originators,** a list of the top 500 credit unions that originate mortgages and home equity;
 - > **Policy Insights,** which provides members with an overview of current policy changes from across the mortgage industry;
 - > **Compliance,** which gives members an overview of compliance-related issues and changes across the mortgage industry.



ACUMA connects the dots between CUs and practitioners. Talking to like-minded people helps you become more well-rounded personally and professionally.

ALI NASSIRIAN, CMB
LAFAYETTE FCU SVP OF LENDING SOLUTIONS AND SECONDARY SALES.

- + **Networks:** Monthly online roundtables that provide insights and best practices related to network topics, including:
 - > **Young Professionals Network**
 - > **Marketing Network**
 - > **Underwriting Network**
 - > **Servicing Network**
 - > **Volume-Based Network <\$200 M**
 - > **Volume-Based Network \$200M - \$600M**
 - > **Volume-Based Network \$600M+**
- + **Connected Community:** An online platform enabling members to connect, communicate, and collaborate with fellow credit union mortgage professionals.

AFTERWORD:

A CASE FOR STAFF DEVELOPMENT

Too often during financially challenging times, staff professional development funds get reduced or cut in hopes of saving a few dollars. However, those who fail to keep up with critical professional development will lose much more time and opportunity than they will ever gain from not investing in continuing these efforts. And nowadays, that’s a mistake no credit union can afford to make.

Regulatory shifts, technological advancements, and dynamic market conditions heavily influence mortgage lending. Maintaining a robust travel and education budget allows mortgage professionals to remain current with industry trends, compliance requirements, and innovative practices.

ACUMA provides a critical platform for education, networking, and advocacy. Participation in ACUMA events ensures that credit union professionals are well-informed about market changes, regulatory updates, and best practices, benefiting their institutions, members, and communities directly from policymakers, industry experts, and credit union peers.

As a member, you are free to choose from any and all of the resources listed. For more information on each, visit our website at acuma.org, or contact Camryn Hinton, Associate Director of Events & Member Relations, at teamacuma@acuma.org for a personalized response. And please continue to support the only trade association devoted to helping you become an even more successful mortgage lender so that all of us may benefit!

ACKNOWLEDGEMENTS

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To each of these contributors: thank you for your time, leadership, and unwavering support of the credit union's mission.

Finally, my ACUMA team and board of directors: thank you for your continued trust, encouragement, and tireless support of our mission. Your leadership and commitment to the credit union mortgage movement make work like this possible and impactful.

AUTHOR

With over 20 years of expertise in the mortgage lending industry, Peter Benjamin serves as the President of the American Credit Union Mortgage Association (ACUMA), a role held for the past three and a half years. Under Peter’s leadership, ACUMA has been at the forefront of empowering credit unions to excel in the mortgage market.



A dedicated advocate for the credit union movement, Peter focuses on recapturing market share for credit unions by promoting innovative strategies, fostering collaboration, and championing cutting-edge technology. Peter’s commitment to advancing credit union capabilities has helped reshape how these institutions serve their members in an evolving financial landscape.

In addition to his leadership at ACUMA, Peter serves as a board member of The Bollinger Foundation, an organization dedicated to supporting families of economic and community development professionals through education and financial assistance.

Peter is widely regarded as a thought leader in the industry, regularly engaging with stakeholders to share insights and drive transformative change.

ACUMA

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