



**MGIC**

# Portfolio Lending

Presented by:

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# AGENDA

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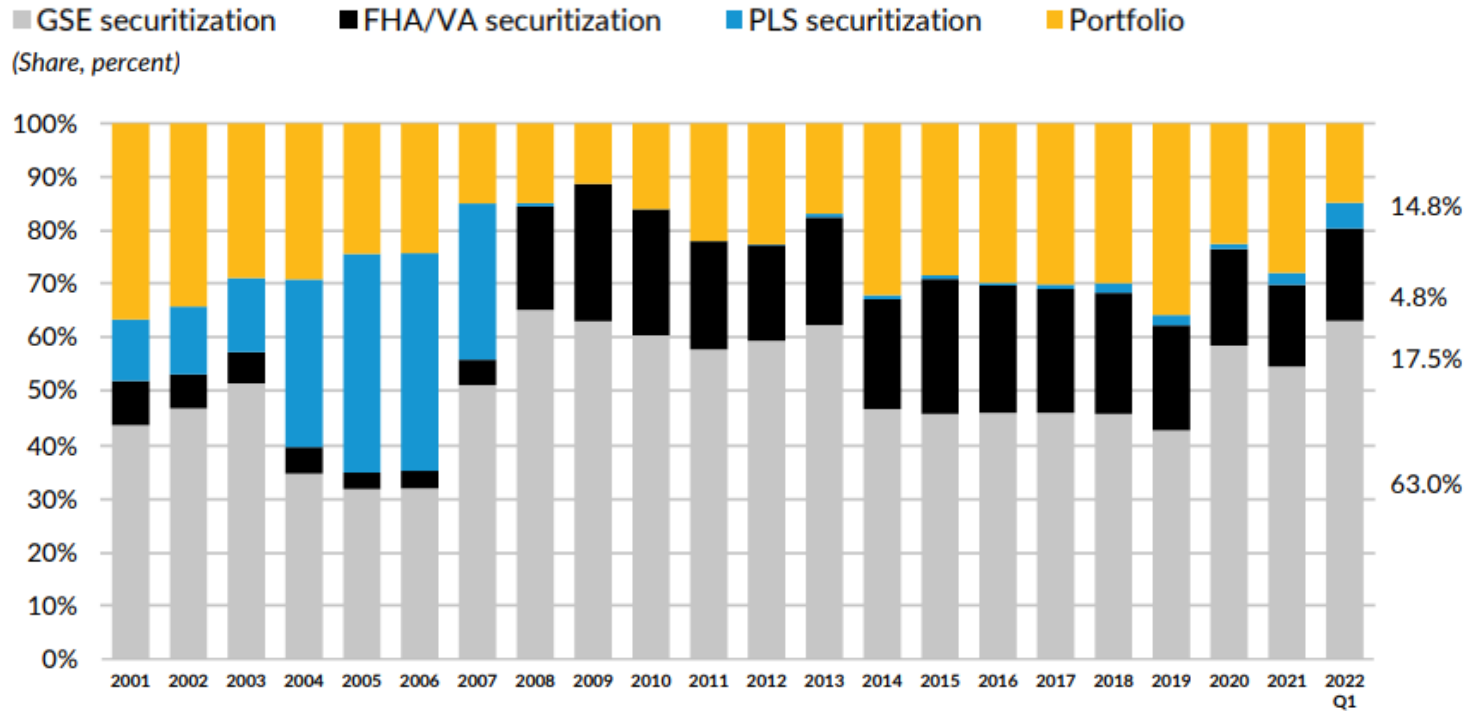
- Two pots of credit of credit union gold
- The portfolio lender marketplace
- Portfolio lending from management's perspective
- Portfolio lending from a member's perspective
- Portfolio Products and Programs
- Key Mortgage Insurance Considerations

# Two Pots of Credit Union Gold

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1. Members that love you.
2. Portfolio Lending Ability – safety net, real estate is local, meets member's and management's needs.

# Portfolio Market Share



Sources: Inside Mortgage Finance and Urban Institute. Last updated April 2022.

Source Urban Institute Monthly Chartbook April 2022

# Credit Unions Have the Cash

## Rob Chrisman commentary 5/20/22



Huh? We should all worry about [monkeypox \[r20.rs6.net\]](https://www.monkeypox.net) now? While we're talking about health, my doctor asked if anyone in my family suffers from mental illness. I replied, "No, we all seem to enjoy it." (Bah dah bam.) Many enjoyed learning about news and trends during the MBA's Secondary Conference this week in Manhattan, and are looking forward to the MBA's national conference in October in Nashville. Looking through my notes of the hot topics facing the industry that I heard either on stage or in the hallways, they include the Community Reinvestment Act (CRA) requirements for non-banks, profit margins and revenue falling, staffing, liquidity, Lock-N-Shop programs (be sure to run any program like this through your compliance department!), and whether to hold or sell mortgage servicing rights (MSRs). I spoke to several IMB owners who were happy they'd left cash in their companies during the last couple years. **Meanwhile, banks and credit unions are grappling with historically low loan-to-deposit ratios, so have cash to deploy into assets.** Sell them some loans!

# Portfolio Lending From a Credit Union's Perspective

- Increase loan-to-share and manage interest rate risk
- Drive mortgage volume in three channels
- Attract new members
- Provide fantastic value to current members

# Portfolio Lending From a Member's Perspective

- Put me in product that met my needs
- Helped us buy the home we love
- They listened and understood my story

# Portfolio Loan Products

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- Fixed Rates
- Adjustable-Rate Mortgages (ARMs)
- Piggyback or MI Executions



# Portfolio Loan Programs

- Future Saleable loans
- Low LTV including Jumbos and “one-offs”
- High LTV – MGIC’s Portfolio Playbook
- Second Homes
- Construction-to-Perm loans

# Portfolio Loan Mortgage Insurance Considerations

- MI Coverage Selection – Risk vs. Reward
- Monthly MI or Financed Single Premium
- ARMs are OK!

# My Question to You

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With The Fed raising interest rates so sharply and the Fannie Mae Home Price Index showing annual home price growth at 20%, what loan programs are you offering your members that help them afford the home they love?

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# Questions?

# Thank You!



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