



AN INCLUSIVE APPROACH TO MORTGAGE LENDING



Honor Credit Union



Our Speaker from Honor Credit Union



Lynneise Gaddie
VP of Real Estate
Lending

About Honor Credit Union

- Berrien Springs, MI
- Approx. \$1.7B in assets
- Over 111,000 members
- 430 FTEs
- 29 branches

- ✓ *We're Real*
We are more than a bank, and you are more than a customer. All of our Members are also our owners.
- ✓ *We're Local*
Like you, our home is in Michigan and with 28 Member Centers to choose from, your neighbors are our neighbors.
- ✓ *We're Part of Our Communities*
We support local businesses, schools, and charitable organizations to encourage opportunity and growth in the places we live.



\$11,763,087

Total Interest & Incentives Paid To Members In 2023



\$734,293

Donated In Support of 669 Organization In 2023



\$235,600

Homeownership Grant Funds Awarded To Homebuyers In 2023



94,620

Pounds of Paper Recycled During Free Shred Day Events in 2023

The Challenge/Opportunity

- The gap between black and white homeownership is **the widest it's been in a decade** - *National Association of Realtors data shows Black American home ownership is 44% compared to 72.7% for white Americans*
- Affordability is challenging for **most** first-time homebuyers
- 47% of potential FTHB's (ages 25-45) perceive lack of knowledge regarding the homebuying process as a barrier*

*2021 & 2023 Freddie Mac Consumer Research





The Challenge/Opportunity

Increasingly, cooperatives are recognizing the importance of home ownership and focusing on **making mortgages more inclusive**

Credit Unions recognize the need to be a **trusted resource** for homebuyers

Honor's Approach

- Identify an area of opportunity
- Tailor a new program
- Piggyback onto our existing home loan options



We've got to create a sense of belonging for all our membership

A Multi-Pronged Approach to Down Payment Assistance

We want to help ease the burden of coming up with a down payment for a mortgage when you're buying a house. We have several grant opportunities, along with other resources and tips to help make your first home, or dream home, a reality.

LEARN MORE

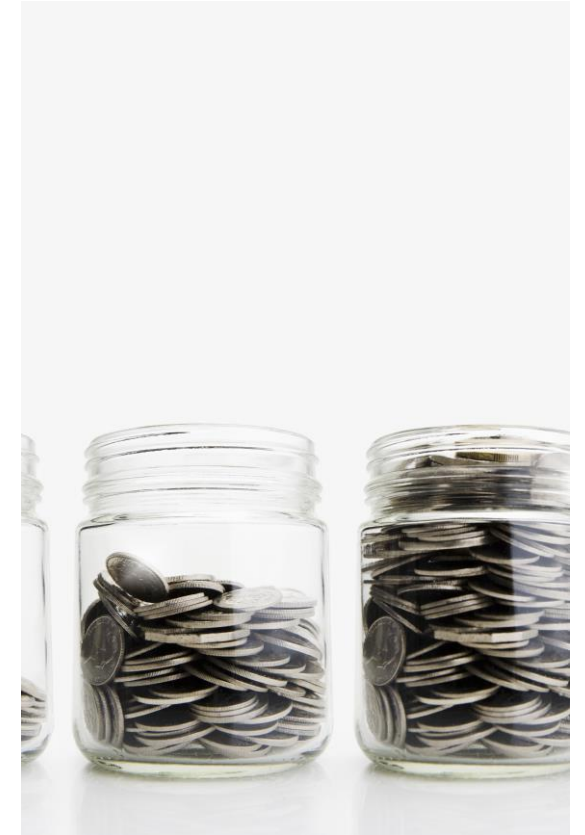
Assistance Options

- ▶ HomeBoost Down Payment Assistance program to assist eligible first-time homebuyers with \$15,000 in down payment assistance
- ▶ The Michigan First-Time Home Buyer Savings Account Program allows homebuyers to contribute and withdraw from an account tax-free
- ▶ Homeownership Opportunities Program (HOP) is a grant assistance program to help qualifying first-time buyers with down payment and closing costs up to \$10,000



A Multi-Pronged Approach to Down Payment Assistance

- Homeownership Opportunity Program (HOP)
- Michigan State Housing Development Authority (MSHDA)
- Neighborhood Housing Organizations
- Employer Down Payment Assistance
- Native American Housing Assistance
- HomeBoost Minority Down Payment Assistance
- \$2,500 credit - very low-income buyers (VLIP)



Offering the Best Product for the Individual

Federal Housing
Administration (FHA)

Rural Development
(RD)


Veterans
Administration (VA)

3% Down
Conventional

Portfolio Loans &
Home Equity Loans


Niche Products

“Rural” Applies to More Members Than You Might Think

 <p>USDA / RD Loan</p> <p>A government-backed mortgage loan for rural homebuyers.</p>	<p>Details</p> <ul style="list-style-type: none">▶ Flexible down payment options▶ USDA credit qualifications are less rigid▶ Low rates	<p>Best For</p> <p>Low-to-moderate income borrowers who don't qualify for a traditional mortgage loan, and are able to meet specific geographic and income qualifications.</p>	<p>VIEW RATES</p> <p>APPLY NOW</p>
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- Covers large geographic areas and income levels
- In some areas, “moderate” includes up to \$121,000 annually for a family of five or up to \$91,000 for a couple.
- *Home builders often build in areas that qualify for rural development yet are located only 10- or 15-minutes from a populated city.*

FHA is for More Than Only First Time Homebuyers

 <p>FHA LOAN</p> <p>A mortgage loan insured by the Federal Housing Administration.</p>	<p>Details</p> <ul style="list-style-type: none">▶ Flexible application guidelines▶ Process is more forgiving of past credit mistakes▶ Down payment will likely be less than a conventional loan	<p>Best For</p> <p>First-time homebuyers who may not have saved enough for a large down payment. Also an option for borrowers who have suffered from previous bankruptcy, foreclosure, or other credit issues.</p>	<p>View Rates</p> <p>Apply Now</p>
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- Commonly referred to by consumers as First Time Homebuyer product
- Does not have geographical limits like RD
- 3.5% downpayment
- Good option for prior bankruptcy, foreclosure, or other credit issues

Offering Niche Products to Better Serve Members

 S.T.A.R. Mortgage* <i>Serving The American Responders –</i> A loan built for first responders.	<p>Details</p> <ul style="list-style-type: none">▶ \$500 off closing costs▶ Flexible terms<ul style="list-style-type: none">◦ 15 or 30-year Fixed, 5.5-year Balloon▶ Two financing options:<ul style="list-style-type: none">◦ 0% Down, No PMI◦ 3% Down With PMI, Lower Interest Rate <p><input checked="" type="checkbox"/> See Who Qualifies</p>	<p>VIEW RATES</p> <p>APPLY NOW</p>
 Physicians Mortgage* A loan specifically for professionals in the medical field.	<p>Details</p> <ul style="list-style-type: none">▶ New purchases & refinances eligible▶ Fixed & Balloon flexible terms▶ Three financing options:<ul style="list-style-type: none">◦ 0% Down, Zero PMI, for purchases up to \$775K◦ 5% Down, Zero PMI, for purchases \$775K - \$1.25M◦ 10% Down, Zero PMI, for purchases \$1.25M - \$1.5M <p><input checked="" type="checkbox"/> See Who Qualifies</p>	<p>VIEW RATES</p> <p>APPLY NOW</p>

Opportunities

Identify Area of Focus

- HMDA Analysis
- Who is your member?
Community demographics

3rd Party Lenders

- Unique Products
- Limited Expertise or Resources

Training Plan

- Financial Wellness
- Loan Products
- Down Payment Assistance

Marketing

- Targeted
- Ahead of Program Timelines

*Participate: Financial Education & Outreach
Join: Boards, Committees, Housing Meetings & Events*



Q&A Discussion Period

THANK YOU FOR WATCHING



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