

Useful Links Related to this article:

- ▶ [Articles By Author](#)
- ▶ [Articles By Topic](#)
- ▶ [Related Resources](#)

[All Articles](#) > [Lending](#) > [Mortgage Lending](#)

"Mortgage" vs. "Home Loan"

Ty Cayce, Prime Alliance Real Estate Services

6/19/2006

[Comments:\(2\)](#)



Printable



Email



Sign Up



RSS

Sponsored and Written by:



I'm excited about purchasing my first home. Finding the perfect home loan was an important part of the transaction, yet the process was a little frustrating. I knew I would qualify, that wasn't the issue. As a member of "Generation Y," I expect the following from my home loan provider: to be able to compare loan products/rates/closing costs with ease, to apply for my first home loan from the comfort of my own apartment, and complete this at a time that is most convenient for me. I'm expecting that I will get my approval, tonight, online because I don't want to wait. Most importantly, I prefer not to talk to anyone in person or over the phone until I need assistance.

Two months ago, the above statements were my actual thoughts about the home loan process. I just returned home from several credit union conferences where the usual topics were discussed: credit unions' aging membership, how to increase our penetration with the 18-30 age range, increasing our home loan lending business, and, of course, regulation (which I am not even going to touch). Let's intricately tie these topics together, shall we...

Every one of these topics is important. I'd suggest none is more so than decreasing the overall age of credit union members: it's 47 and rising. While older members save, they don't borrow much. Younger members borrow more than they save, so we need both. We are, after all, credit- not savings unions. How do we attract the 18-30 year old crowd? By understanding how they think, how they prefer to interact, and what they expect.

Fortunately, Generation X and Generation Y, my generation, are very open about what it takes to attract and keep us as customers. First, we are willing to pay a little bit more for added convenience. Second, ask us to wait more than roughly six seconds for a website and we're off to another site offering a similar product, price, and message. In other words, we won't wait around! Third, don't make us hunt; it's another sure way to lose us. Fourth, our individuality is important, a trait us, Gen X and Yers, are rather proud of. And, since we have grown up with ubiquitous technology, we're savvy as well as incredibly proficient multi-taskers. Have you ever watched a college kid carry on instant messaging conversations simultaneously with eight or so of their friends?

The credit union with my home loan is my Primary Financial Institution (PFI). So, it would reason to think that if we could get more of the 18-30 demographic joining our credit unions for their home loan, that they would then think of the credit union as their new PFI. Once this begins to happen they will increasingly open additional accounts. This, in turn, leads to deeper and longer-lasting relationships.

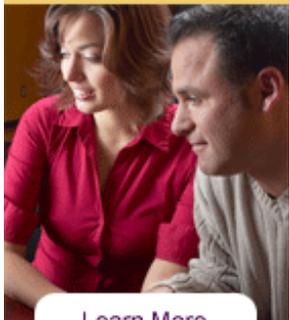
Let's key on the factor that my age demographic wants it our way and not the way someone is telling us that we should want it. Why then are we, as credit unions, so quick to point out to our members that they are applying for a "mortgage?" We have the word "mortgage" plastered everywhere you look, especially on our credit union websites. I proved this by visiting a number of credit union websites and the majority mention how and where to begin the "mortgage" process. Literally everyone calls it a "mortgage." Why aren't we inviting our members and non-members to apply for a "home loan?" The point is this: no one wants a mortgage, what they want is a home. So, why not call it what it is: a home loan, rather than by it's ancient legal name, a name that actually means 'dead pledge'.

I also spent a few minutes searching some of the largest mortgage lenders in the country. It further proved my point. Right on their website home page, Bank of America calls them "Mortgages." Wells Fargo calls them, "Home Mortgages." Ameriquest Mortgage Company points out to us right in their company name they are looking to give us a "Mortgage." And, lastly, as I quickly scan the Citibank website, it also offers me their "Mortgages" section...So apparently, a mortgage is a mortgage. Or at least that is what all the major players would have us believe. However, credit union "home loans" are different for at least two reasons. First, research proved that my credit union offered the best dollars and cents financing. Second, my credit union provided the best service, letting me do it 'my way' from start to finish. My advice: call it a "home loan" because that's what we want, tell us you'll save us money today, tomorrow and throughout our relationship and, finally, tell us how exceptional credit unions are at meeting our needs. Then meet your new 'members for life'.

WEBINARS LIBRARY

Alternative Payday Lending

Fulfilling the Credit Union Mission



[Learn More](#)

As I pause from my typing and glance up from my computer monitor, my eyes settle on two men fishing in our nearby pond. To the left of our pond lies a brisk three minute walk to our neighborhood's resort-style pool and brand new fitness center. We've already painted my son's room royal blue and my daughter's room lilac...because that is what they wanted. And in August, I'll be able to walk my son to his first day of kindergarten at the number one elementary school in the county. I would say that my family's new home is just perfect, as is finally fulfilling the dream of homeownership.

The [sponsored content](#) article above has been provided to offer the credit union community with insights and knowledge from a recognized solutions provider in the industry. Please note that the views and opinions provided here do not reflect those of Callahan & Associates, and Callahan does not endorse vendors or the solutions they offer.



Comments

[Add A Comment](#)

- **Comment #1** (Posted by Carlos Cepero) 6/20/2006
Rating: ★★★★★
Great article Ty! And don't forget the huge opportunity for Credit Unions with single women homebuyers. Last year they amounted to 1 in every 5 homes sold. They are a natural match for the Credit Union culture.
- **Comment #2** (Posted by Brian Foltz) 6/20/2006
Rating: ★★★★★
From one GenXer to another, I couldn't agree more. No one wants a mortgage, but we all want homes. Well done sir.

How would you rate the quality of this article?

1 2 3 4 5

Poor

Excellent

[Add Comment](#)

Get articles like this sent to you (free) weekly

Your Email:

Related Articles

▶ [The Reverse Mortgage Opportunity](#)

▶ [Beyond Dollars and Cents: The Cost of Not Retaining Servicing Rights](#)

▶ [Trends Indicate Real Estate Lending Slowing](#)

CreditUnions.com is brought to you by...

CALLAHAN
FINANCIAL SERVICES

© 2006 Callahan & Associates, Inc
1001 Connecticut Avenue, NW, 10th Floor, Washington, D.C. 20036

Phone: 1-800-446-7453, 202-223-3920 fax 202-223-1311

[About Callahan & Associates](#) | [Privacy Statement](#) | [View Shopping Cart](#)

| [Contact Us](#) | [About Callahan Financial Services](#) | [Advertising](#)