



Mortgage Strategy Checklist

Identify, Evaluate, Take Action

Now is the time to re-evaluate your mortgage strategy to maximize profitability and uncover new opportunities from your operation. Use the checklist below to assist you in this process, considering all available funding methods, product offerings, organizational structure, operating expenses and other factors. Improve profitability, nurture growth and benefit your members. All while managing risk.

MORTGAGE STRATEGIES



Portfolio Lending

Utilize your own balance sheet to generate interest income.



Non-agency Partner

Leverage the participation of related partners. From wholesale to delegated correspondent, these business entities can offer varying levels of involvement while providing you with access to a wide range of products



Agency Direct

“Own the process” and sell your loans directly to Freddie Mac, Fannie Mae and FHLBs, or pool government loans directly with Ginnie Mae.

Evaluate critical internal factors for each Mortgage Strategy. Fill out the checklist below to measure your credit union’s strengths and weaknesses. Your honest and knowledgeable answers can provide a blueprint for achieving greater success.

Mortgage Strategy: _____

(Identify strategy for this checklist)

SUCCESS/PROFITABILITY FACTOR	STRONG	WEAK	IMPROVEMENTS NEEDED
Balance Sheet Capacity and Risk Tolerance			
- Maturity and rates being added to your portfolio			
- Current threshold			
- Action plan ready to implement when level is met			
- Capacity to add niche product to grow local mkt share			
Available Product Offerings			
- Products offered meet your members’ needs			
- Addition of new products and their potential opportunities for originators (i.e. FHA/VA/USDA or products not saleable on secondary market)			

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SUCCESS/PROFITABILITY FACTOR	STRONG	WEAK	IMPROVEMENTS NEEDED
Income/Margin			
- Rate and origination charge you are offering			
- Your price compared to local competition			
- Price matching when necessary			
- Negotiated pricing incentive with your current partner			
- Selling direct – best efforts			
- Selling direct – mandatory contracts			
- Monitoring of pair-offs and extension fees			
Staff Experience and Capacity			
- Team skills optimally matched to successful strategy			
- Ability to manage market fluctuations			
• Ability to mix loan strategies			
• Ability to outsource loan functions			
• Trusted partner to fill in skill gaps			
Member Experience			
- Satisfaction with application process, processing communication, underwriting turn times, loan servicing			
- Level of automation/process efficiency			
- Level of customer-pleasing outsourcing			
- Level of customer-pleasing insourcing			
Technology			
- Functionality/efficiency of POS/LOS			
- Cost-benefit ratio of existing technology			
- Support for different membership demographics and expectations			

Regardless of your current strategy, make sure you have a sound Business Continuity Plan in place. Take action on realigning your mortgage strategies today.



888.766.4734
sales@qrlfinancial.com