

Press Release *about Credit Unions*

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Credit Unions Continue to Meet Consumer Home Financing Needs, First Mortgage Loans Up 40% Over 1Q '08

WASHINGTON, D.C. and TUKWILA, Wash. – (Friday, June 5, 2009) – First quarter 2009 credit union mortgage data released by Callahan and Associates and Prime Alliance Solutions, Inc. shows strong growth in first mortgage real estate lending, coupled with robust sales of first mortgage loans to the secondary market.

During the first quarter of 2009, credit unions granted \$25.7 billion first mortgage loans, up 40% over the same period one year ago. Sales of first mortgage loans to the secondary market nearly tripled to \$13.9 billion. Most of 2009's mortgage production thus far is long-term, low fixed-rate mortgages, accounting, in part, for the high sales numbers.

The credit union industry is gaining market share as well. "Comparing first mortgage loans granted with industry statistics from the Mortgage Bankers Association of America, credit union market share has risen to 5.8%, up from 5.0% in the fourth quarter of 2008," said Chip Filson, President of Callahan and Associates. "By this measure, we're more than half way to our goal of 10% market share by 2016, though efforts must now be made to turn from refinancing homes for members to purchase-money strategies, to continue making progress."

"Credit unions are seizing this ready-made opportunity to help larger numbers of members finance their homes more affordably and sustainably," said Joe Brancucci, Chairman and CEO of Prime Alliance Solutions, Inc. "As the numbers show, our mortgage strategies are gaining momentum, while our industry gains further market share."

"It's clear. Mortgage lending is the strategy credit unions must embrace, as our industry endeavors to rebuild its capital. Not only is the demand high, which will continue while rates are low and housing is affordable, affordably financing homes for members is also profitable business for credit unions," Brancucci added.

First quarter delinquency and charge-offs are up as well. However, credit unions continue to work with members struggling with their mortgage payments, as over \$2.3 billion in modified real estate loans were reported as of March 31 2009.

Questions? Email hmos@creditunions.com or call (202) 223-1311.

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Callahan & Associates is a Washington, DC-based firm specializing in financial publications, software development, strategic planning, and investment management for credit unions, for more than twenty years.

*The only complete mortgage lending solution created by credit unions for credit unions, **Prime Alliance Solutions Inc.** provides customized private label mortgage services to foster a credit union's "members for life" strategy.*