

# HMDA Insights

Callahan & Associates

October 2017

**CALLAHAN**  
ASSOCIATES  
*the credit union company*

Knowledge. Insight. Strategy.

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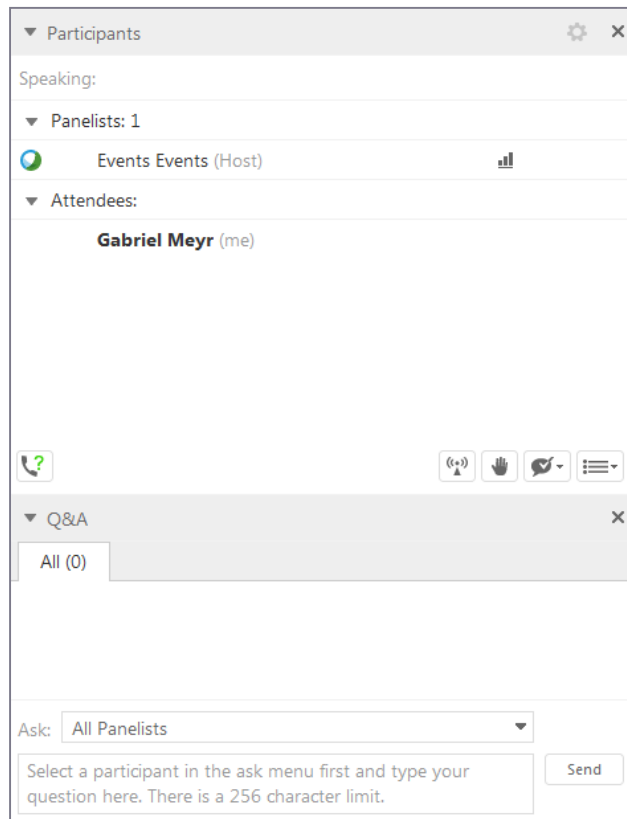
Enter access code: 664 959 039#

# Slide Link

Today's slides can be found online at:

<http://bit.ly/HMDA1024>

# We Encourage Questions



Use the

## Questions Box

located on the right side of the screen, to type your comments or questions.

# You Might Also Be Interested In

## **[Bridging The Wealth Divide:](#)**

Hope and Latino Community Credit Union share products expanding homeownership in communities of color.

## **[The Re-Emergence Of The First Time Homebuyer](#)**

Remember the 90s? That's the last time first-time homebuyers purchased homes at the same level as second quarter of 2017.

## **[Mortgage Lending By The Numbers \(2Q17\)](#)**

See how much the industry's mortgage portfolio grew in the second quarter.

## **[How To Boost The Bottom Line While Really Trying](#)**

Interest on loans drive the income train, but other revenue streams are steaming along.

# Analyze HMDA Data With Ease

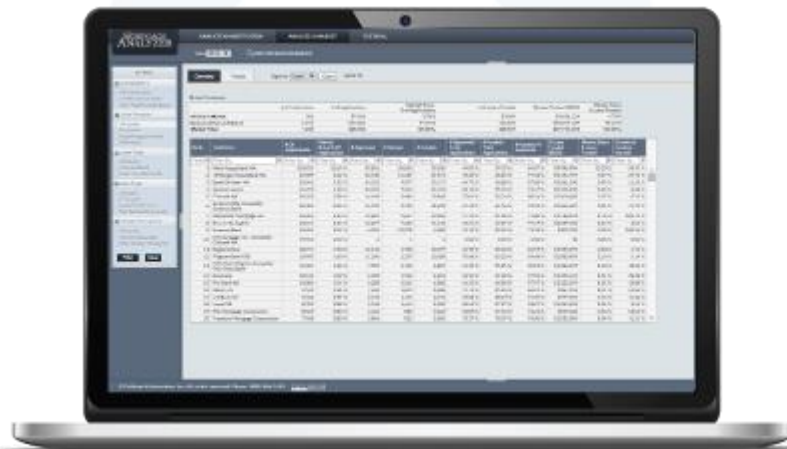
MortgageAnalyzer provides a complete picture of the mortgage trends and productions in your market within minutes.

Identify market leaders and analyze your credit union's position against credit unions, banks, mortgage CUSOs, and other mortgage lenders to fine-tune your mortgage lending strategy.

**Callahan clients** can access MortgageAnalyzer via the client portal:  
[www.Callahan.com/client-portal](http://www.Callahan.com/client-portal).

## Not a client?

Contact [support@Callahan.com](mailto:support@Callahan.com) for an overview of MortgageAnalyzer.



# Tell Us What You Think!



Please take our post-event survey. We value your feedback!

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# What is HMDA Data?

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- HMDA = Home Mortgage Disclosure Act
- Enacted in 1975; CFPB oversees it today
- Includes data for all FIs originating mortgages in MSAs and over \$44 million in assets
- All brokers and others that originate mortgages to sell or be insured by government agencies
- 9-month lag time between data submission and its release
- 6,762 institutions reported 2016 data

# Why HMDA Data Matters

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- Although HMDA reporting includes a nine-month lag, the data captures **the state of the housing market**.
- Additionally, HMDA data captures **regional and state trends** that offer a glimpse into cooperative mortgage volume.
- HMDA data also captures the **types of financing and mortgages** that credit unions are extending to members.

# What Can HMDA and MortgageAnalyzer Teach You?

MORTGAGE ANALYZER

ANALYZE AN INSTITUTION
ANALYZE A MARKET
TUTORIAL

Welcome Samuel Taft! [Log Out](#)

YOUR PRIMARY: Navy Federal Credit Union YEAR: 2016 VIEW YOUR SELECTED MARKETS

Select Your Primary → Define Your Market → Mortgage Report

**FILTERS**

**Competitors**

All Institutions

Credit Unions Only

Inst. That Funded Loans

**Loan Purpose**

All Loans

Purchase

Home Improvement

Refinance

**Loan Type**

All Loans

Conventional

FHA, VA, FSA, RHS

**Lien Type**

All Liens

First Lien

Subordinate Lien

Not Secured by a Lien

**Owner Occupancy**

All Loans

Owner Occupied

Non-Owner Occupied

Filter Clear

Overview
Scorecard
Trends

Change Market
Select
Export

**Market Summary:**

|                           | # of Institutions | # of Applications | Market Share % of Applications | # of Loans Funded | \$ Loans Funded (\$000) | Market Share \$ Loans Funded |
|---------------------------|-------------------|-------------------|--------------------------------|-------------------|-------------------------|------------------------------|
| Navy Federal Credit Union | 1                 | 1,022             | 2.76%                          | 475               | \$110,835               | 1.09%                        |
| All Other CUs in Market   | 73                | 1,826             | 4.93%                          | 1,209             | \$472,524               | 4.64%                        |
| Banks & Others in Market  | 376               | 34,208            | 92.31%                         | 17,648            | \$9,596,515             | 94.27%                       |
| <b>Market Total</b>       | <b>450</b>        | <b>37,056</b>     | <b>100.00%</b>                 | <b>19,332</b>     | <b>\$10,179,874</b>     | <b>100.00%</b>               |

**Market Leaders:**

| Rank | Institution                    | # of Applications | Market Share % of Applications | # Approved | # Denied | # Funded | # Approved / Total Applications | # Funded / Total Applications | # Funded / # Approved | \$ Loans Funded (\$000) | Market Share \$ Loans Funded | Growth of Funding Volume |
|------|--------------------------------|-------------------|--------------------------------|------------|----------|----------|---------------------------------|-------------------------------|-----------------------|-------------------------|------------------------------|--------------------------|
| 1    | WELLS FARGO BANK, NA           | 3,827             | 10.33 %                        | 1,586      | 496      | 1,572    | 41.44 %                         | 41.08 %                       | 99.12 %               | \$847,546               | 8.33 %                       | 5.92 %                   |
| 2    | LOANDEPOT.COM, LLC             | 1,754             | 4.73 %                         | 288        | 1,252    | 258      | 16.42 %                         | 14.71 %                       | 89.58 %               | \$87,843                | 0.86 %                       | 57.68 %                  |
| 3    | SUNTRUST MORTGAGE, INC         | 1,491             | 4.02 %                         | 620        | 119      | 615      | 41.58 %                         | 41.25 %                       | 99.19 %               | \$331,663               | 3.26 %                       | 30.54 %                  |
| 4    | CALIBER HOME LOANS, INC.       | 1,313             | 3.54 %                         | 1,031      | 51       | 1,022    | 78.52 %                         | 77.84 %                       | 99.13 %               | \$476,969               | 4.69 %                       | 17.62 %                  |
| 5    | BRANCH BANKING AND TRUST CO    | 1,293             | 3.49 %                         | 333        | 66       | 317      | 25.75 %                         | 24.52 %                       | 95.20 %               | \$143,065               | 1.41 %                       | -5.00 %                  |
| 6    | FIRST SAVINGS MORTGAGE CORPORA | 1,165             | 3.14 %                         | 1,014      | 22       | 1,014    | 87.04 %                         | 87.04 %                       | 100.00 %              | \$527,348               | 5.18 %                       | -13.41 %                 |
| 7    | FIRST HOME MORTGAGE            | 1,125             | 3.04 %                         | 978        | 31       | 937      | 86.93 %                         | 83.29 %                       | 95.81 %               | \$394,867               | 3.88 %                       | 26.28 %                  |
| 8    | QUICKEN LOANS                  | 1,109             | 2.99 %                         | 867        | 242      | 853      | 78.18 %                         | 76.92 %                       | 98.39 %               | \$294,037               | 2.89 %                       | 22.80 %                  |
| 9    | JPMORGAN CHASE BANK, NA        | 1,061             | 2.86 %                         | 483        | 95       | 470      | 45.52 %                         | 44.30 %                       | 97.31 %               | \$436,310               | 4.29 %                       | -19.96 %                 |
| 10   | NFCU                           | 1,022             | 2.76 %                         | 486        | 413      | 475      | 47.55 %                         | 46.48 %                       | 97.74 %               | \$110,835               | 1.09 %                       | 7.79 %                   |
| 11   | BANK OF AMERICA, N.A.          | 1,017             | 2.74 %                         | 654        | 195      | 619      | 64.31 %                         | 60.87 %                       | 94.65 %               | \$338,329               | 3.32 %                       | -5.71 %                  |
| 12   | IUS BANK N A                   | 944               | 2.55 %                         | 116        | 33       | 115      | 12.29 %                         | 12.18 %                       | 99.14 %               | \$64,727                | 0.64 %                       | 17.34 %                  |

# What Else Can HMDA and MortgageAnalyzer Teach You?

**MORTGAGE ANALYZER**

ANALYZE AN INSTITUTION    ANALYZE A MARKET    TUTORIAL

YOUR PRIMARY: Navy Federal Credit Union    YEAR: 2016    ?    VIEW YOUR SELECTED MARKETS    Welcome Samuel Taft!    Log Out

Select Your Primary → Define Your Market → **Mortgage Report**

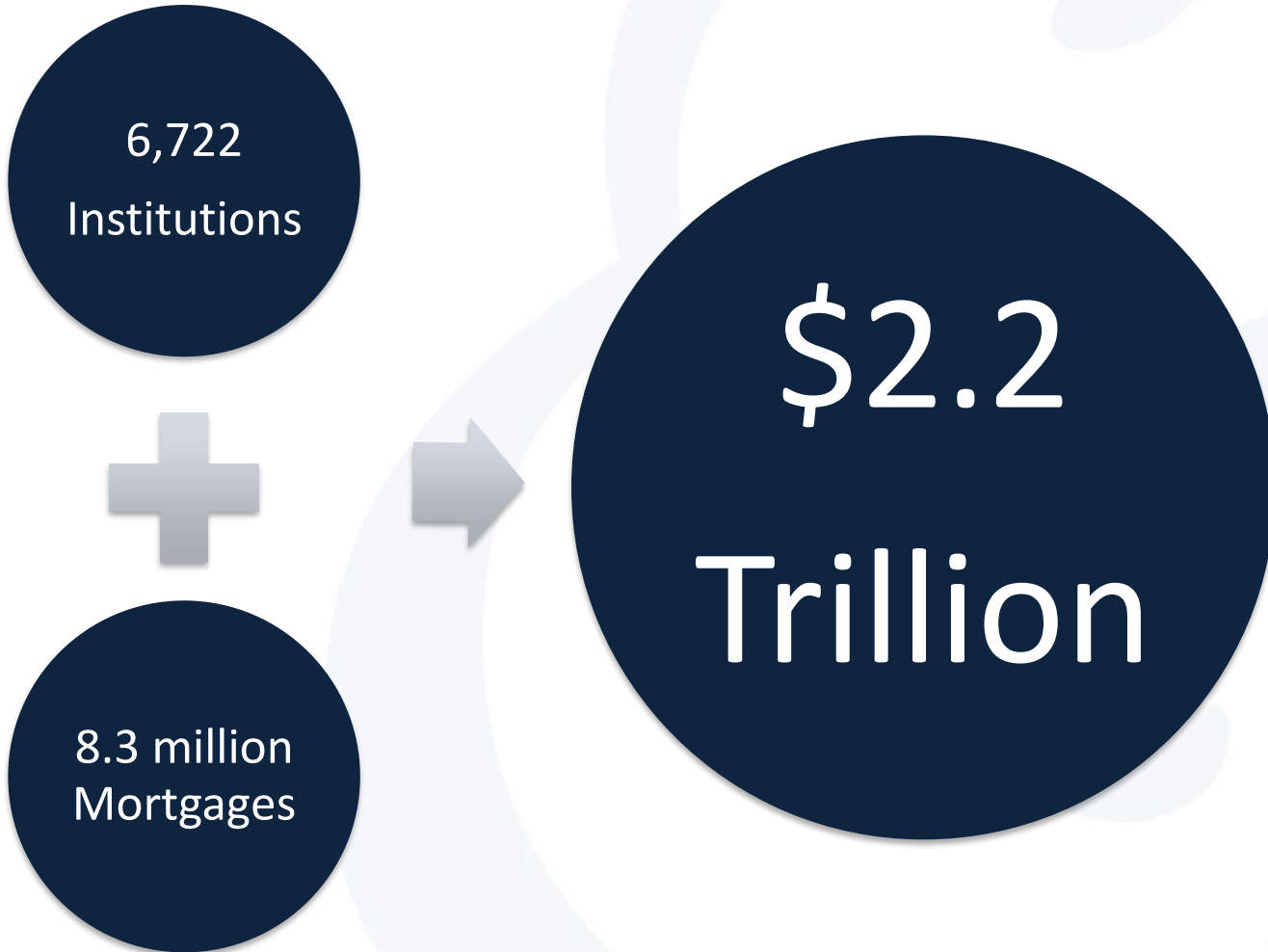
Overview    **Scorecard**    Trends    Change Market    Select    Export

Edit Scorecard

|  | Navy Federal Credit Union | All Other CUs in Market | Banks & Others in Market | Total Market |
|--|---------------------------|-------------------------|--------------------------|--------------|
| <b>Basic Information</b>               |                           |                         |                          |              |
| # Applications                         | 1,022                     | 1,826                   | 34,208                   | 37,056       |
| # Approved                             | 486                       | 1,244                   | 18,276                   | 20,006       |
| # Denied                               | 413                       | 260                     | 5,393                    | 6,066        |
| # Funded                               | 475                       | 1,209                   | 17,648                   | 19,332       |
| Funded (\$000s)                        | \$110,835                 | \$472,524               | \$9,596,515              | \$10,179,874 |
| <b>Key Ratios</b>                      |                           |                         |                          |              |
| Approved/Applications                  | 47.6%                     | 68.1%                   | 53.4%                    | 54.0%        |
| Funded/Applications                    | 46.5%                     | 66.2%                   | 51.6%                    | 52.2%        |
| Funded/Approved                        | 97.7%                     | 97.2%                   | 96.6%                    | 96.6%        |
| % Denied                               | 40.4%                     | 14.2%                   | 15.8%                    | 16.4%        |
| % of Funded - Owner Occupied (Primary) | 44.6%                     | 61.4%                   | 44.2%                    | 45.1%        |
| <b>Loan Type</b>                       |                           |                         |                          |              |
| % Conventional                         | 93.3%                     | 99.4%                   | 88.6%                    | 89.3%        |
| Average Balance (\$000s)               | \$219.2                   | \$390.7                 | \$550.8                  | \$531.2      |
| Average Income (\$000s)                | \$119.5                   | \$183.0                 | \$190.8                  | \$188.4      |
| % FHA/VA/FSA/RHS                       | 6.7%                      | 0.6%                    | 11.4%                    | 10.7%        |
| Average Balance (\$000s)               | \$428.1                   | \$400.5                 | \$488.7                  | \$487.5      |
| Average Income (\$000s)                | \$131.5                   | \$106.4                 | \$73.3                   | \$74.3       |
| <b>Property Type</b>                   |                           |                         |                          |              |
| % 1-4 Family                           | 99.6%                     | 100.0%                  | 99.0%                    | 99.1%        |
| Average Balance (\$000s)               | \$234.2                   | \$390.8                 | \$466.1                  | \$455.7      |
| Average Income (\$000s)                | \$120.3                   | \$182.6                 | \$179.1                  | \$177.9      |
| % Manufactured                         | 0.4%                      | 0.0%                    | 0.0%                     | 0.0%         |
| Average Balance (\$000s)               | \$9.0                     | \$0.0                   | \$149.0                  | \$79.0       |
| Average Income (\$000s)                | \$120.5                   | \$0.0                   | \$71.0                   | \$95.7       |
| % Multifamily                          | 0.0%                      | 0.0%                    | 1.0%                     | 0.9%         |

# Total Originations in HMDA File

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# 2016 HMDA Market Summary

|                          | CUs      | Banks    | Mortgage Finance |
|--------------------------|----------|----------|------------------|
| # Reporting Originations | 1,966    | 3,895    | 861              |
| \$ Originations          | \$130.4B | \$1.1T   | \$982.8B         |
| Origination Growth       | 15.4%    | 13.6%    | 23.7%            |
| Average Loan Balance     | \$172K   | \$288K   | \$251K           |
| \$ Purchase Orig.        | \$57.2B  | \$531.2B | \$495.4B         |
| \$ Refinance Orig.       | \$64.5B  | \$481.8B | \$467.7B         |
| \$ Conventional Orig.    | \$119.4B | \$931.6B | \$639.7B         |
| \$ FHA Orig.             | \$2.4B   | \$58.3B  | \$206.2B         |
| \$ VA Orig.              | \$8.2B   | \$71.8B  | \$126.3B         |

# Shifting Market Dynamics

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- Broad growth across the board
- Mortgage Finance lenders increase share for 3<sup>rd</sup> consecutive year
- Refinancing originations post strong growth
- FHA and VA lending volumes surge
- Mortgage Finance lenders have notably different focus

# Credit Union Market Share: All Originations Reported Under HMDA

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8.6%

- By # of Applications

9.1%

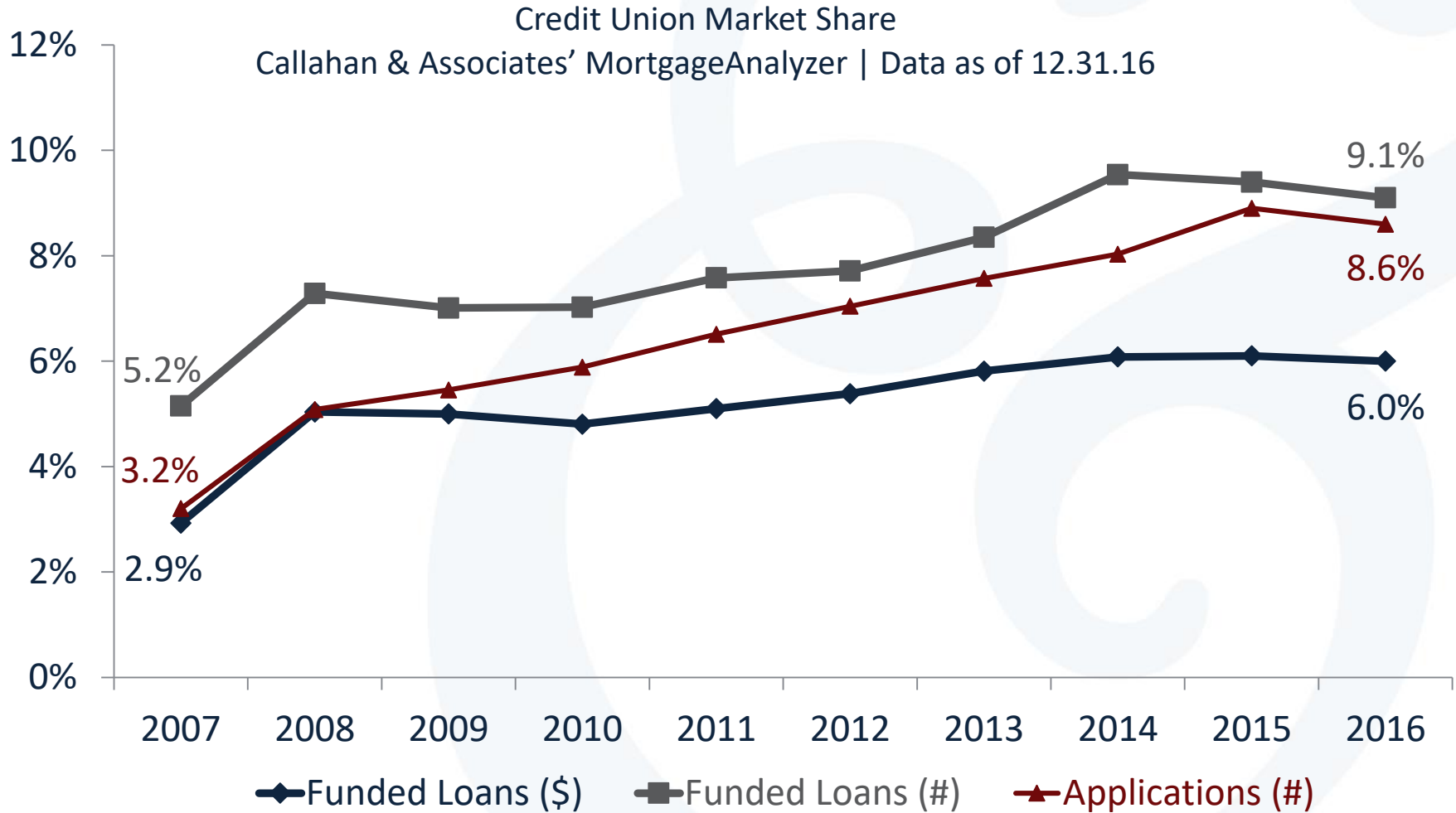
- By # of Loans Funded

6.0%

- By \$ of Loans Funded



# Credit Union Market Share Trends: All Originations Reported Under HMDA



# A Note About Credit Union Market Share

## HMDA Market Share

4Q16 = 5,909 CUs



>\$44M Assets &  
Branch/Office in MSA &  
Orig. 1-4 Family, 1<sup>st</sup> Lien  
Loan?



Qualifying CUs = 1,966

CU Orig. = \$130.4B  
Mkt Orig. = \$2.2T  
CU Mkt. Share = 6.0%

## Aggregate Market Share

4Q16 = 5,909 CUs



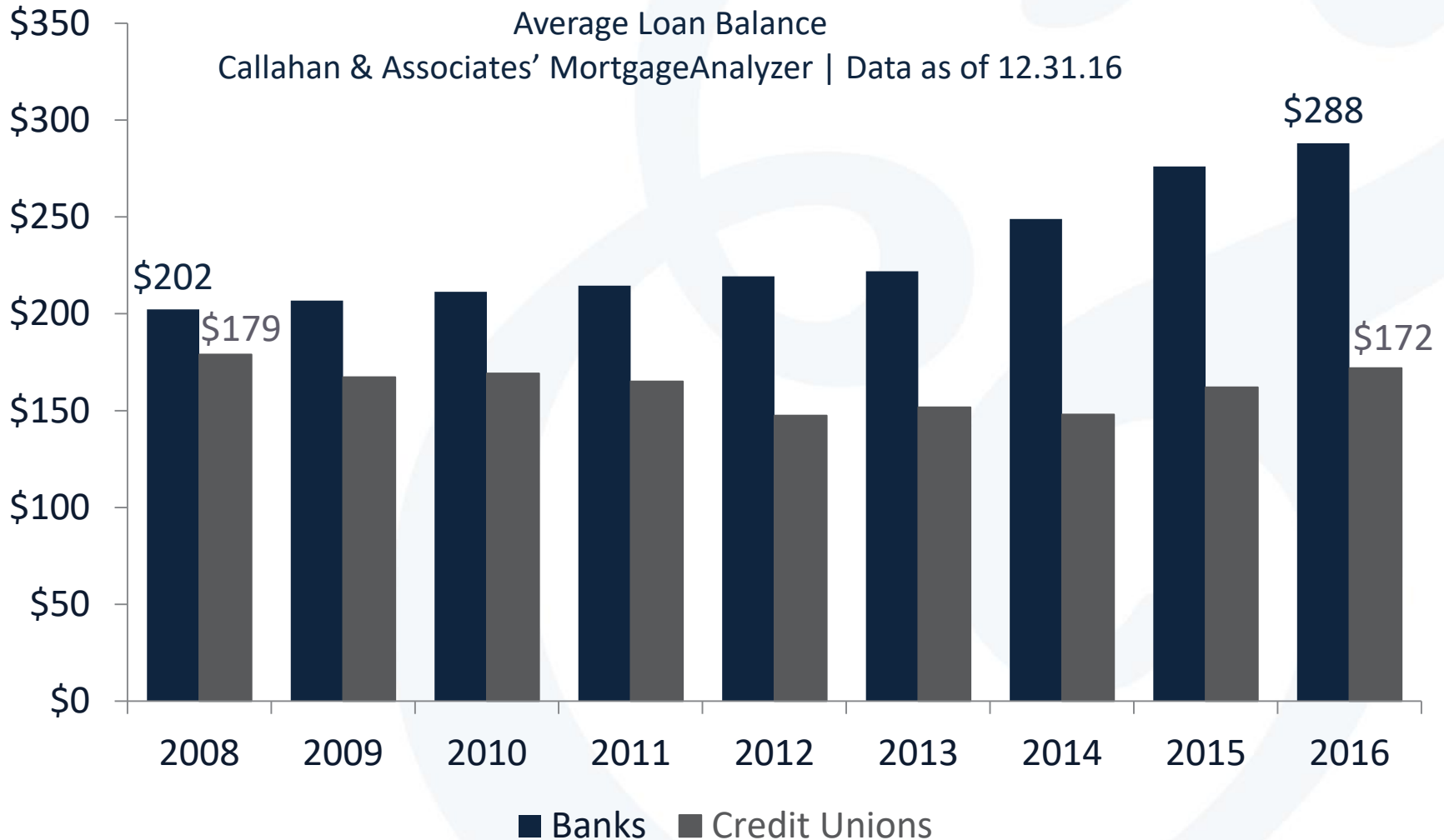
# CUs Orig. 1<sup>st</sup> Mort = 3,289

# CUs Orig. 1<sup>st</sup> Mort. &  
>\$44M = 2,301

CU Orig. = \$143.3B  
CU Mkt. Share\* = 7.6%

\* Based off of Mortgage Bankers Association Mortgage Finance Forecast Report

# Average Loan Balances Increasing Across The Board



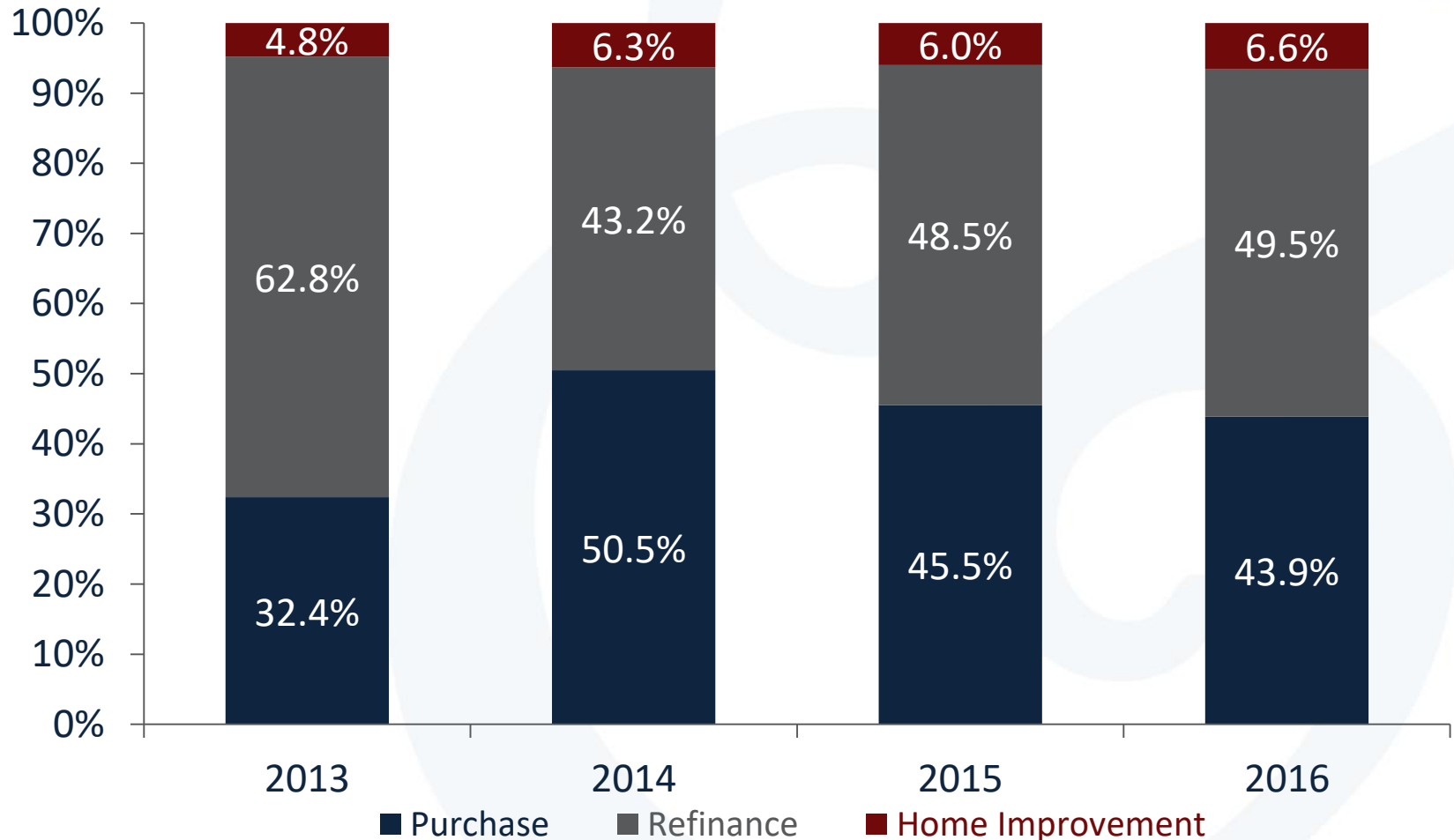
## Top 20 States by Credit Union Average Loan Balance

Data as of 12.31.16 | Source: Callahan & Associates' MortgageAnalyzer

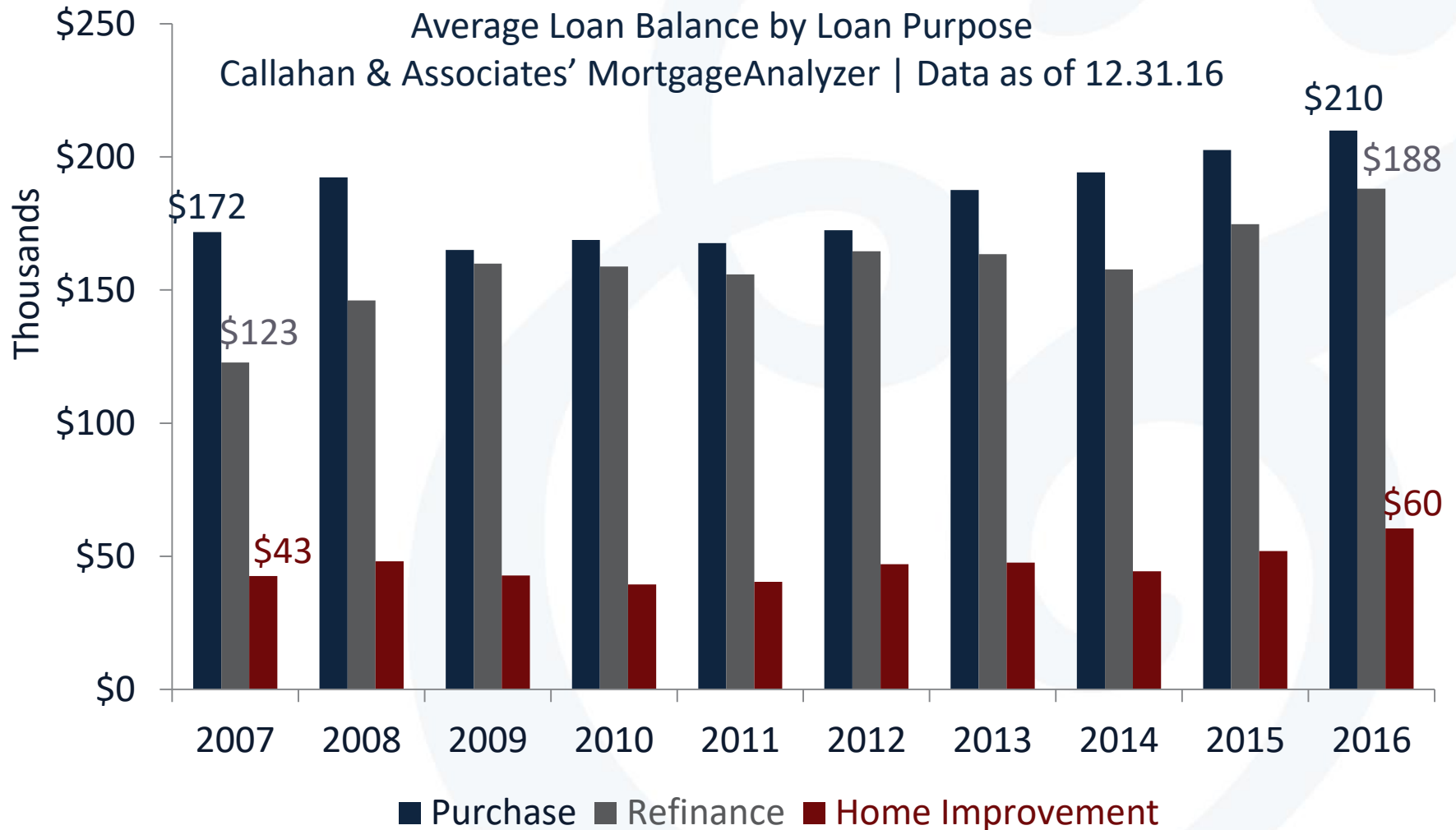
| Rank | State                | 2016 Credit Union<br>Avg. Loan Balance<br>(\$000s) | 2016 Bank<br>Avg. Loan Balance<br>(\$000s) | 2016 HUD<br>Avg. Loan Balance<br>(\$000s) |
|------|----------------------|--|--|---|
| 1    | District of Columbia | \$346.4  | \$624.9                                    | \$453.0                                   |
| 2    | California           | \$312.2  | \$567.1                                    | \$353.6                                   |
| 3    | Hawaii               | \$247.6  | \$510.6                                    | \$433.0                                   |
| 4    | Washington           | \$236.5  | \$360.7                                    | \$289.7                                   |
| 5    | New Jersey           | \$223.2  | \$389.8                                    | \$285.0                                   |
| 6    | Alaska               | \$222.9  | \$266.9                                    | \$274.6                                   |
| 7    | Oregon               | \$219.2  | \$294.4                                    | \$264.6                                   |
| 8    | Colorado             | \$217.1  | \$345.8                                    | \$280.2                                   |
| 9    | Maryland             | \$215.3  | \$346.9                                    | \$327.2                                   |
| 10   | Virginia             | \$210.4  | \$301.5                                    | \$296.5                                   |
| 11   | Massachusetts        | \$207.7  | \$389.2                                    | \$303.2                                   |
| 12   | Nevada               | \$195.7  | \$268.4                                    | \$231.6                                   |
| 13   | Rhode Island         | \$169.7  | \$260.4                                    | \$220.4                                   |
| 14   | New Hampshire        | \$168.8  | \$254.3                                    | \$234.6                                   |
| 15   | Utah                 | \$164.0  | \$303.8                                    | \$231.1                                   |
| 16   | New York             | \$162.9  | \$467.2                                    | \$290.5                                   |
| 17   | Idaho                | \$162.7  | \$209.5                                    | \$185.9                                   |
| 18   | Delaware             | \$161.6  | \$260.4                                    | \$231.7                                   |
| 19   | North Carolina       | \$158.9  | \$237.4                                    | \$207.9                                   |
| 20   | Florida              | \$158.1  | \$283.1                                    | \$218.7                                   |

# Credit Union Refinance Composition Increases

Credit Union Mortgage Composition

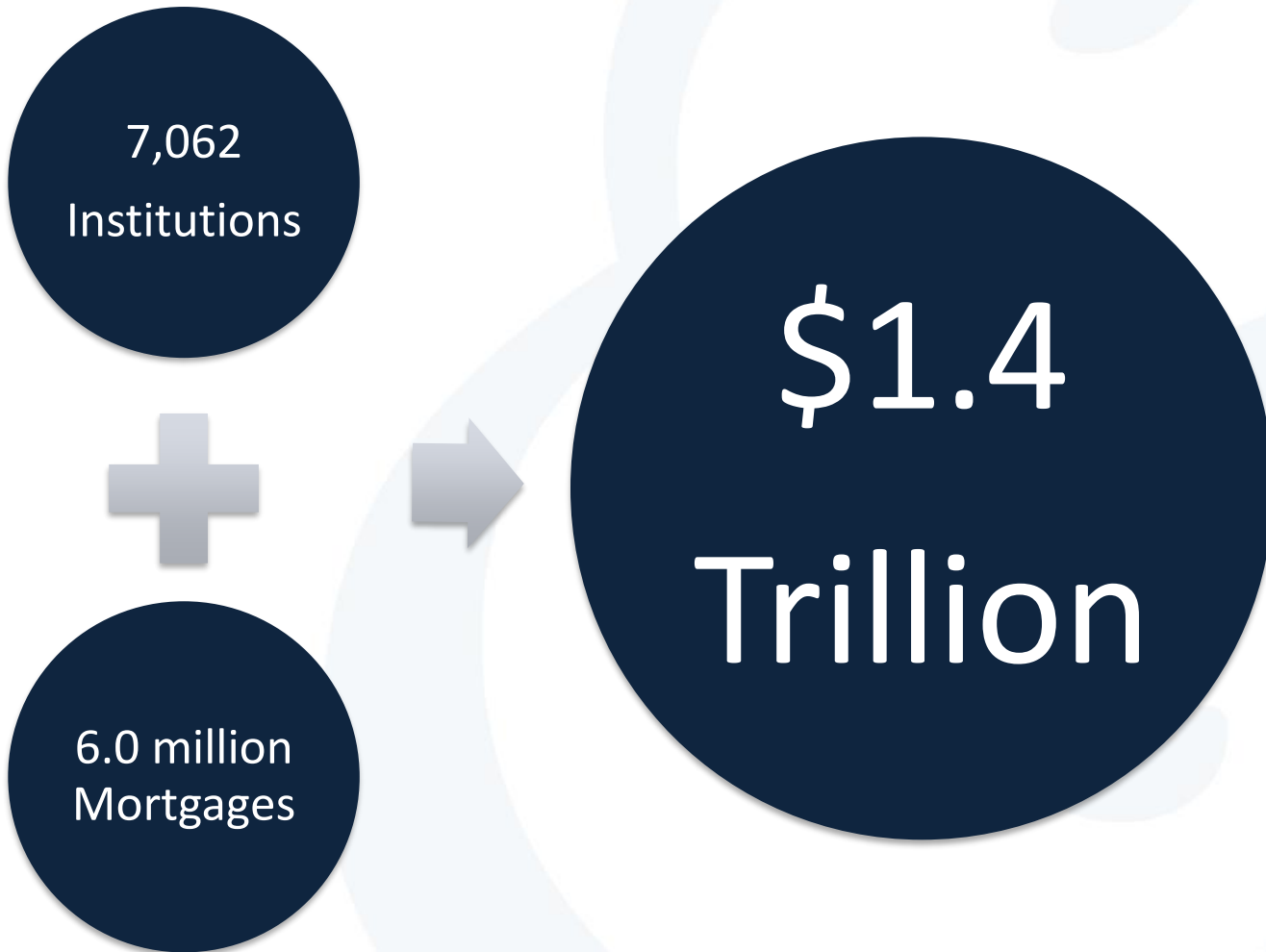


# Credit Union Average Loan Balance: Purchase v. Refi v. Home Improvement



# Originations in HMDA File: Owner-Occupied; 1-4 Family; 1<sup>st</sup> Lien

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# Credit Union Market Share: Owner-Occupied; 1-4 Family; 1<sup>st</sup> Lien

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8.9%

- By # of Applications

8.0%

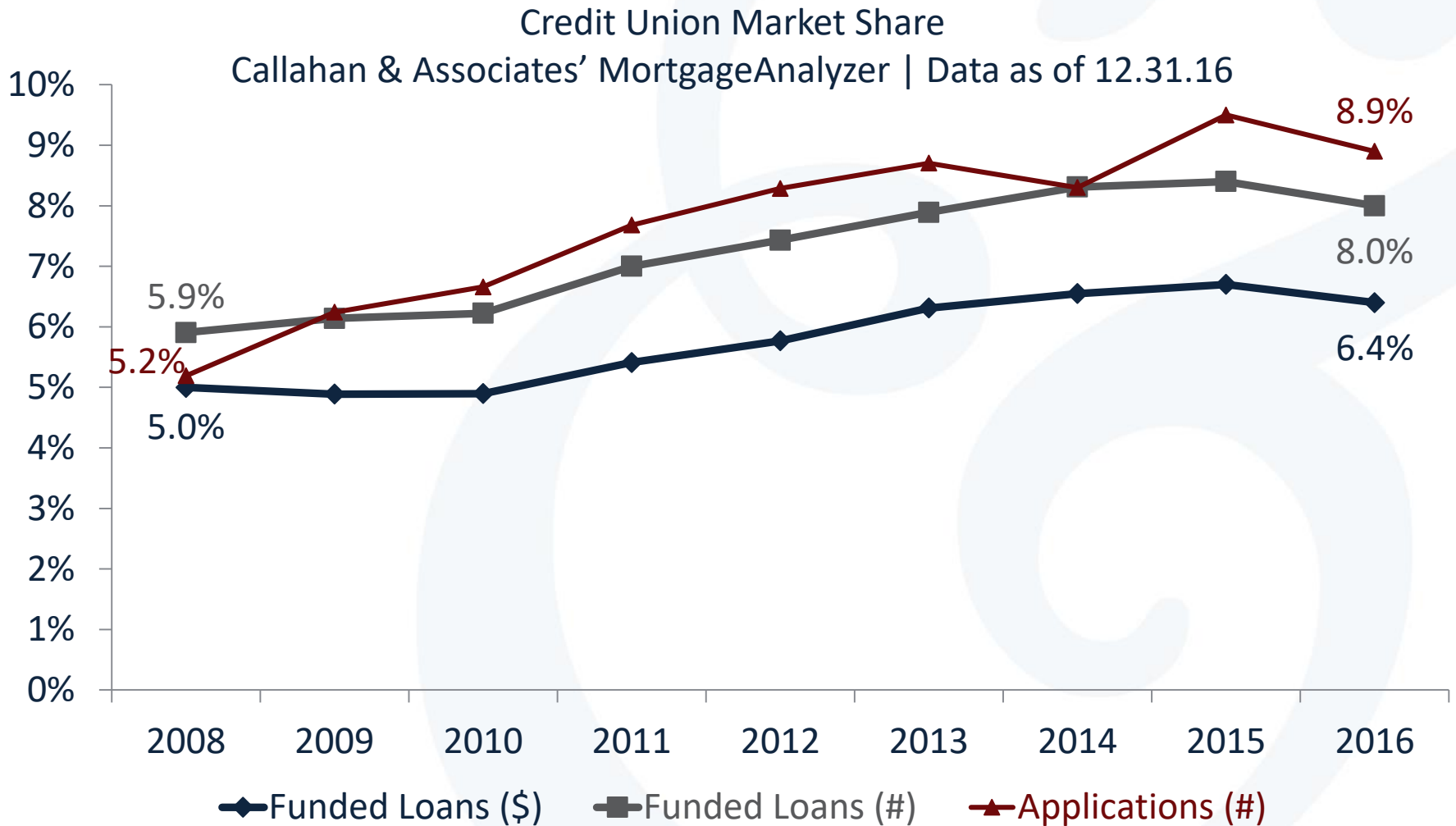
- By # of Loans Funded

6.4%

- By \$ of Loans Funded



# Credit Union Market Share Trends: Owner-Occupied; 1-4 Family; 1<sup>st</sup> Lien



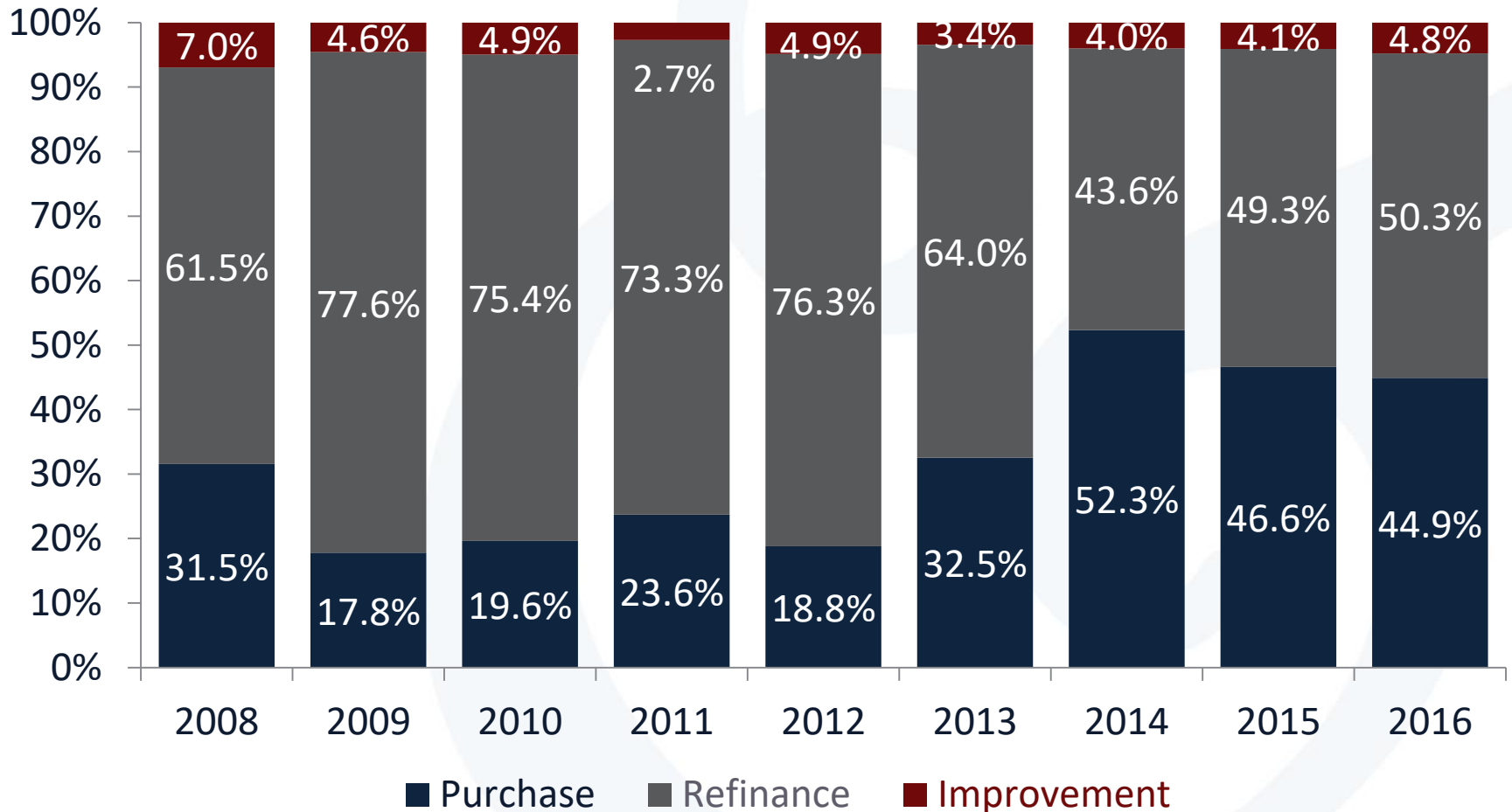
## Top 20 MSAs by Credit Union Mortgage Market Share

Callahan & Associates' Mortgage Analyzer | Data as of 12.31.16

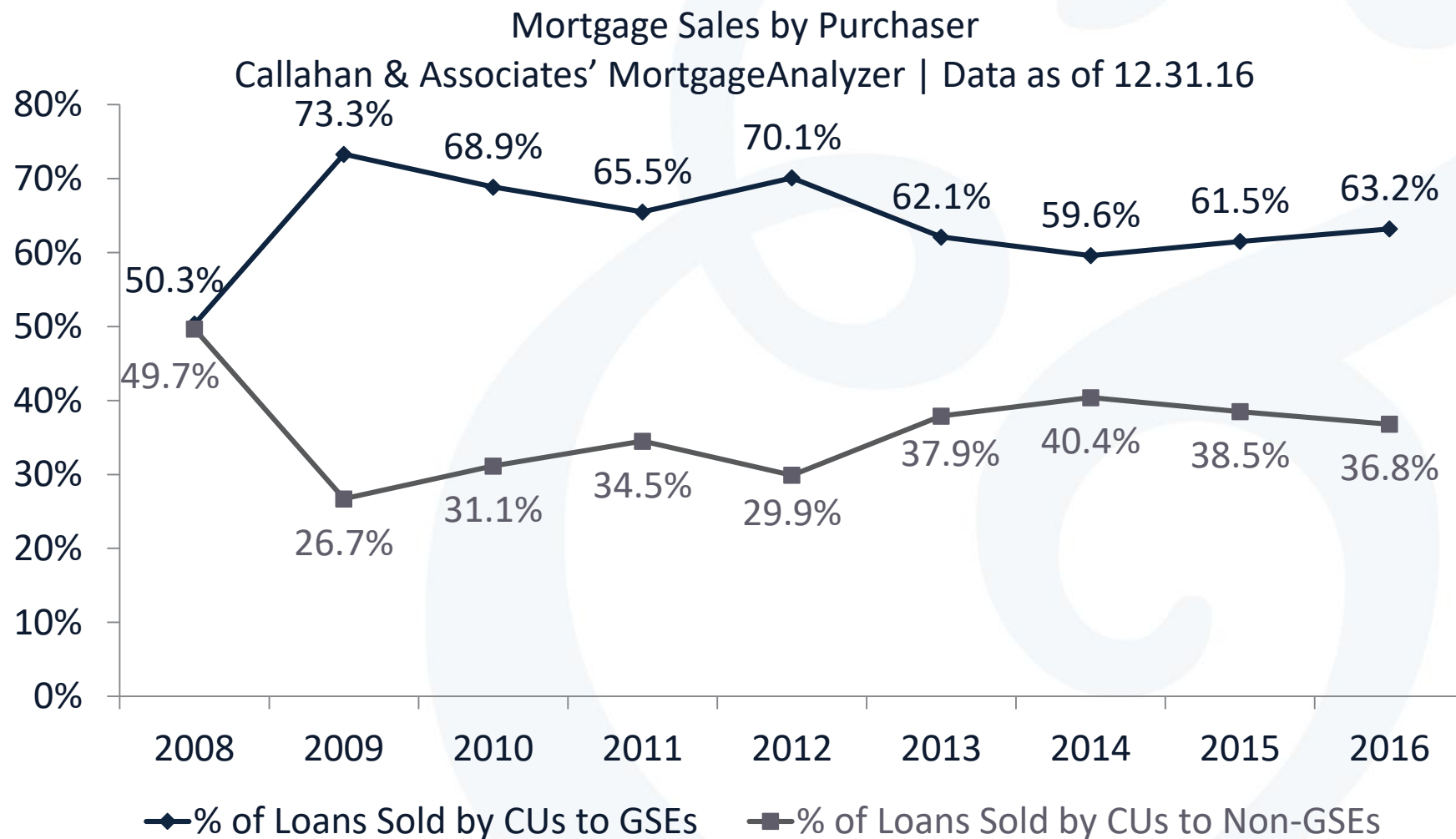
| Rank | MSA                                 | 2016 Credit Union     |                 |
|------|-------------------------------------|-----------------------|-----------------|
|      |                                     | Originations (\$000s) | CU Market Share |
| 1    | Waterloo-Cedar Falls, IA            | \$354,663             | 44.7%           |
| 2    | Cedar Rapids, IA                    | \$592,950             | 40.4%           |
| 3    | La Crosse, WI-MN                    | \$250,153             | 36.3%           |
| 4    | Utica-Rome, NY                      | \$195,947             | 35.8%           |
| 5    | Iowa City, IA                       | \$389,312             | 34.6%           |
| 6    | Saginaw-Saginaw Township North, MI  | \$143,617             | 34.5%           |
| 7    | Pocatello, ID                       | \$115,894             | 33.9%           |
| 8    | Kalamazoo-Portage, MI               | \$495,810             | 33.3%           |
| 9    | Ithaca, NY                          | \$83,643              | 31.9%           |
| 10   | Burlington-South Burlington, VT     | \$492,708             | 31.8%           |
| 11   | Battle Creek, MI                    | \$107,797             | 31.8%           |
| 12   | Bay City, MI                        | \$76,840              | 31.4%           |
| 13   | New Bern, NC                        | \$173,763             | 31.4%           |
| 14   | Eau Claire, WI                      | \$236,343             | 30.5%           |
| 15   | Dubuque, IA                         | \$147,349             | 30.3%           |
| 16   | Appleton, WI                        | \$389,496             | 30.1%           |
| 17   | Davenport-Moline-Rock Island, IA-IL | \$452,179             | 28.8%           |
| 18   | Elmira, NY                          | \$43,462              | 28.8%           |
| 19   | Albany-Schenectady-Troy, NY         | \$1,016,357           | 28.6%           |
| 20   | Oshkosh-Neenah, WI                  | \$203,576             | 28.0%           |

# Credit Union Originations By Loan Type: Owner-Occupied; 1-4 Family; 1<sup>st</sup> Lien

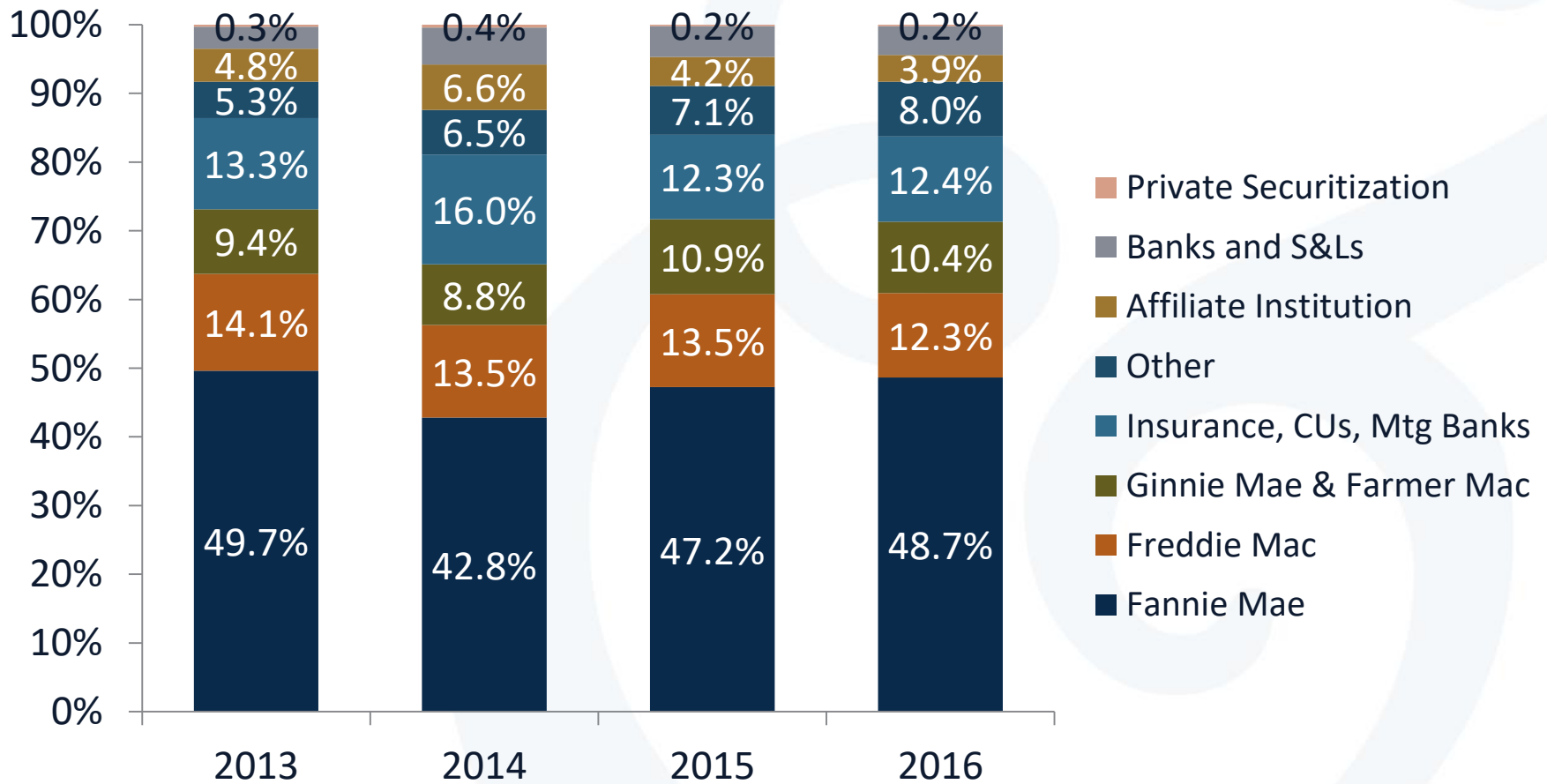
Credit Union Originations by Loan Purpose  
Callahan & Associates' MortgageAnalyzer | Data as of 12.31.16



# Mortgage Sales by Purchaser: Owner-Occupied; 1-4 Family; 1<sup>st</sup> Lien



# Credit Union Secondary Market Trends: Owner-Occupied; 1-4 Family; 1<sup>st</sup> Lien



Source: Callahan & Associates' MortgageAnalyzer

# Analyze HMDA Data With Ease

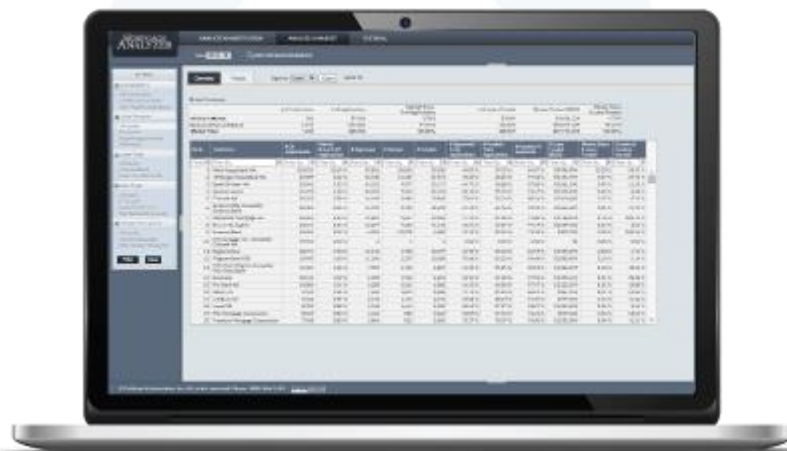
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## Not a client?

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# Questions & Discussion