

## ACB Members Profit From Mortgage Partnerships

By Deborah Whiteside

More than a third of ACB members participate in ACB Business Partners' lineup of mortgage solution partnerships. Together, they have delivered close to \$50 billion in loans since 2001, when the first alliance agreement was signed with Fannie Mae.



The partnerships with Fannie Mae, Freddie Mac, Countrywide, Principal Residential, and Financial Freedom were designed by our members for our members—so it is not surprising that they are successful and deliver tangible benefits. Participating ACB members have experienced real bottom-line value, from doubling secondary market fee income, to improving customer service, to enhancing their ability to compete effectively in their market.

The **ACB/Fannie Mae Affinity Partnership** is in its third successful year. By leveraging the ACB/Fannie Mae alliance, ACB members have helped more than 60,000 families become homeowners. Members deliver loans to Fannie Mae under preferred terms, are approved to do business with Fannie Mae in a new streamlined and expedited process, have access to its cutting edge technology, and have access to pilots and special initiatives like Fannie Mae's customized portfolio analysis. The partnership also helps community banks to reach more low- to moderate-income borrowers, minority borrowers, and first-time homebuyers.

Rick Allen, senior vice president of Banknorth, N.A. in Portland, Maine, has seen numerous benefits to his bank since first joining the program in 2001. "First, the reduction in fees for Desktop Underwriter has helped us manage increased business during the recent refinance boom by controlling costs. Second, as we acquire new banks, we have benefited from the partner-like approach that Fannie Mae takes regarding acceptance of decisions from alternate automated underwriting systems.

"This has allowed us to continue to deliver business to our preferred investor during the acquisition process, without interrupting our existing delivery process. It's tools like these that attracted us to the partnership, and we look forward to new enhancements this relationship will continue to bring to ACB members," Allen said. Banknorth is the holding company of Peoples Heritage Bank, N.A., a \$27.5 billion-asset ACB member.

The **ACB/Freddie Mac Alliance** brings ACB members a strong service and training commitment and a streamlined application process, as well as access to a wide variety of conforming loan products, exciting technology services, and servicing released/servicing retained delivery options. John K. Hurley, vice president of ACB member Suburban Federal Savings Bank in Crofton, Md., takes advantage of many of the member benefits the Alliance offers and recognizes its value.

"Our participation in the ACB/Freddie Mac Alliance has been valuable to us for many reasons. First of all, we have access to great pricing. Second, we have participated in product pilots, which give us the opportunity to give direct feedback to Freddie Mac and have an impact on the final product. Thirdly, we have attended some excellent seminars put on by Freddie Mac especially for ACB members," Hurley said. Suburban Federal has \$256 million in assets.

Bankers who want to sell loans on a correspondent basis are taking advantage of ACB Business Partners preferred programs with two of the biggest players in the correspondent lending business, Principal Residential Mortgage and Countrywide Financial. Both of these alliances offer preferred pricing for ACB members as well as customized products, programs, and application processes that benefit our members.

**Principal Residential Mortgage's** high-touch personal service and operational efficiency scores high points with ACB members. Chris Reichert, executive vice president of \$463 million-asset Pulaski Bank in St. Louis, relies on the customer service support and competitive pricing. "Principal Residential Mortgage provides service that is second to none. Their pricing is competitive and the Correspondent Lending Center is very convenient," Reichert said.

"I have yet to receive a single complaint

from one of my customers or employees on how they were treated by Principal Residential Mortgage. When we call, there is a person to answer the phone before the third ring, and if they need to call me back, I receive a return call promptly. They follow up on what I ask them to. As a lender delivering loans to Principal Residential Mortgage, it is clear that their employees appreciate our business," Reichert said.

**The ACB/Countrywide partnership** has doubled the secondary market fee income in a matter of months for ACB member Heritage Bank of Ashland Inc., according to mortgage loan officer Stephen Greenhill. "In addition to a broad menu of both conforming and non-conforming products, the pricing is much more competitive and we have access to Countrywide's easy-to-use loan origination and underwriting technology. The pitfalls of a wholesale relationship are gone. There are no more underwriting delays and funding issues," Greenhill said.

"This all means better service with a better product for our customers. Not only are we more competitive in our market as a result, but we are poised to take the lead as the mortgage lender of choice," he added. Heritage has \$136 million in assets.

Reverse mortgages allow community bankers to meet the growing need in their market for seniors who want access to the equity they have built so carefully without the pressure of a monthly mortgage payment. "Our alliance with ACB Business Partners allows us the opportunity to supply ACB members with resourceful and versatile lending products," said James Mahoney, chief executive officer of Financial Freedom, an ACB associate member. "In addition, our relationship with ACB delivers an innovative product to help senior bank customers maintain their financial independence, while creating income for the ACB member bank."

ACB members helped develop these mortgage partnerships to meet the needs of community banks, and they use them to ensure their business is competitive, efficient, and profitable.

Going forward, ACB Business Partners plans to continue to leverage our members' collective buying power to create new and innovative partnerships. The key to the success of these partnerships will be the

service providers' ability to bring real value to our membership. Our goal is to bring our members the products, processes and tools that allow them to remain mortgage industry leaders. **ES**

*Deborah Whiteside is the senior vice president of Mortgage Solutions for ACB Business Partners. To learn more about ACB's Mortgage Solutions call Deborah at (888) 872-0275, ext. 5580, e-mail [dwhiteside@acbankers.org](mailto:dwhiteside@acbankers.org) or visit [www.AmericasCommunityBankers.com/Partners](http://www.AmericasCommunityBankers.com/Partners).*

## Question:

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## Answer:

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\*As ranked by America's Community Bankers' 2003 Survey.  
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