The Wisconsin Credit Union League
One League, One Focus - Your Success!

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FOR THE RECORD

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Wisconsin credit unions approve more mortgages for low-income and non-white borrowers than other lenders

Statistics released as part of the Home Mortgage Disclosure Act shows that credit unions are more likely to approve mortgages for low-income and minority borrowers. Because of their cooperative nature, not-for-profit credit unions return earnings to their members – a feature that makes them willing to grant loans that other lenders might find too "unprofitable" to be desirable.

Credit unions' higher approval rates are no surprise; credit unions operate 40 percent of all depository institution branches in the state's low-income census tracts. By contrast, 94% of all Wisconsin banks – including 12 of the largest 20 banks – have no branches in low income census tracts. Only about 50 of 2,300 bank branches exist in low income areas.

Low Income* Mortgage Applicant Approval Rates
Wisconsin - by lender

	CU Lenders	Non-CU Lenders	Ratio of CU to Non-CU
2000	79.6%	63.6%	125.2%
2001	71.5%	44.3%	161.4%
2002	74.7%	47.7%	156.6%
2003	83.0%	54.8%	151.5%
2004	84.8%	38.1%	222.6%
2005	80.4%	45.3%	177.5%
2006	77.1%	50.5%	152.7%
2007	74.7%	49.6%	150.6%
Average	78.2%	49.2%	162.2%

Source: FFIEC HMDA data, CUNA E&S.
* Low-income: Borrowers with less than 50% of MSA median income.

Above: In 2007, Wisconsin credit unions approved 74.7% while other lenders approved just 49.6% of applications they received from low-income borrowers.

Minority* Mortgage Applicant Approval Rates
Wisconsin - by lender

	CU Lenders	Non-CU Lenders	Ratio of CU to Non-CU
2000	86.0%	61.0%	141.0%
2001	85.2%	65.0%	131.1%
2002	88.5%	65.9%	134.3%
2003	88.1%	53.7%	164.1%
2004	85.2%	46.0%	185.2%
2005	81.9%	48.9%	167.5%
2006	78.1%	52.5%	148.8%
2007	72.0%	46.6%	154.5%
Average	83.1%	55.0%	153.3%

Source: FFIEC HMDA data, CUNA E&S.
* Minority: American Indian, Asian, Pacific Islander, Black, and 2 or more minority races.

Above: In 2007, Wisconsin credit unions approved 72% and other lenders approved just 46.6% of applications they received from minorities.

. . . And delinquency remains low!

Wisconsin credit unions' delinquency on loans is a mere 1.21% – performance that's been applauded by regulators.

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