The Wisconsin Credit Union League
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FOR THE RECORD

JUNE 2007

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Wisconsin Credit Unions Outperform Other Lenders for Mortgages to Low-Income and Non-White Borrowers

Not-for-profit credit unions are cooperatives owned by and for their members. That means they return earnings to members – not stockholders – the way banks do. And because credit unions put people before profits, they are more willing than other institutions to grant loans that other lenders might find unattractive.

For example, the data tables below show that low income borrowers were almost twice as likely and minorities were two-thirds more likely in 2005 to have their home loan approved by a credit union than by other lenders. It's no surprise; credit unions operate *40 percent of all depository institution branches in the state's low-income census tracts.*

By contrast, 94 percent 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%
Average	79.0%	49.0%	165.8%

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

Left top: In 2005, low-income borrowers were almost twice as likely to have their mortgage loan approved at a credit union than with another lender. Wisconsin credit unions approved 80.4 percent and other lenders approved just 45.3 percent of applications they received from low-income borrowers.

Right bottom: In 2005, minorities applying for mortgage loans were two-thirds more likely to be approved at a credit union than at other institutions. Wisconsin credit unions approved 81.9 percent and other lenders approved just 48.9 percent of applications they received from minorities.

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%
Average	85.8%	56.8%	153.9%

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

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