



Expanding Access to Affordable Homeownership

Homeownership is an essential element of financial independence for low- and moderate-income people and core to Inclusiv's mission. Credit unions have an important role in homeownership financing and counseling as part of their historic commitment to serving people who may have been excluded from loans by banks or other lending institutions due to discrimination and systemic inequalities.

Launched in 2005, Inclusiv/Mortgage established a secondary market for member credit unions' mortgage loans to low- and moderate-income members. Our initiatives aim to increase community development credit unions' (CDCUs) recognition as a source of responsible mortgage financing and to expand credit unions' capacity as mortgage lenders and providers of accurate and consistent homeownership counseling.

In the Inclusiv/Mortgage portfolio, 53% of mortgages are held by Black, Hispanic, and Asian homeowners, significantly above the national average, and 47% of mortgages are held by white homeowners.



PHOTO: THE MCCORMICKS

Mortgage Programs

Inclusiv/Mortgage purchases conforming and non-conforming affordable first lien mortgage loans from our member credit unions. By creating a pipeline for CDCUs to sell their mortgages, Inclusiv/Mortgage replenishes credit unions' capital, enabling CDCUs to magnify their impact in their communities and free up funds for lending.

FLOW PROGRAM

Launched in 2015, the Flow program sought to increase the volume of loans purchased, providing an additional alternative to the predatory practices targeted at the minority, immigrant, and low-income communities across the country, enabling our member credit unions to provide quality residential mortgage services to the communities they serve.

Inclusiv/Mortgage loan performance has been outstanding. Since 2005, the program has realized an exceptionally small number of losses, on average equal to only 0.05% (5 basis points) of the portfolio annually. There have been no losses to-date in the Flow program.

Under this program, the credit union originates, processes, underwrites, and closes loans to Inclusiv/Mortgage guidelines. After closing, the credit union sends the loan to Inclusiv for purchase. This process usually takes less than one week.

Under the Flow Program, there are two community development loan products:

- INCLUSIV 97 - A 30-year fixed rate loan for borrowers with a social security number. LTVs are up to 97% with very low PMI amounts that max at 18%.
- INCLUSIV ITIN – A 10/1 ARM for borrowers with an ITIN number.

Both loans have minimum credit scores of 620, and the maximum DTI is 45%. Borrowers without traditional established credit can be qualified using alternative credit sources, and borrowers with multiple sources of income are qualified the same as self-employed borrowers

BULK PROGRAM

Under this program, Inclusiv/Mortgage buys blocks of seasoned loans from credit unions looking to free up capital and/or reduce rate risk. Loans must be seasoned at least 12 months. Loans under 12 months can be purchased with temporary recourse that ends when the loans reach 12 months of seasoning.

The minimum credit score is 550, maximum DTI is 50%, and maximum LTV is 97%.

Advantages of Inclusiv/Mortgage

RATES

Inclusiv/Mortgage offers very competitive rates for lower credit scores and higher LTVs, and now pays higher premiums for these loans. This change was made to make an even greater impact with low- to moderate-income borrowers.

SERVICING OPTIONS

Credit unions who prefer to retain servicing may do so if approved by Inclusiv/Mortgage. This application process is streamlined for credit unions who are already approved to service for Fannie, Freddie, or FHLB. For credit unions who can not or do not want to retain servicing, our master servicer CUMA (Credit Union Mortgage Association) will service all purchased loans.

OUTSOURCED PROCESSING & UNDERWRITING

For credit unions who prefer not to process and underwrite loans in-house, we have partnered with CUMA to perform this function for you. CUMA will process and underwrite to Inclusiv/Mortgage guidelines so you can close and sell your loans to Inclusiv with peace of mind. This service can be applied to all your loans, not just the loans you want to sell to Inclusiv.

DOWN PAYMENT ASSISTANCE GRANTS

Inclusiv/Mortgage is now offering Down Payment Assistance (DPA) grants for first-time homebuyers who meet program guidelines. Each grant is up to 1.5% of the purchase price, not to exceed \$2,500, and must be attached to loans sold to Inclusiv/Mortgage. Minimum first mortgage LTV is 90% for Inclusiv 97 and 80% for Inclusiv ITIN loans. Borrowers must be at or below 80% of the area medium income. All grants have 5-year forgivable terms, and payback will only be required if the property is sold or refinanced prior to the 5-year term ending and will be prorated based on 60 months with no interest. There is a limit of three grants per credit union until further notice.



Contact Inclusiv/Mortgage

Inclusiv/Mortgage accepts applications from member credit unions interested in selling qualifying mortgages on an ongoing basis. This process is streamlined for credit unions already approved by Fannie, Freddie, or FHLB.

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PHOTO: THE GARCIAS

ABOUT INCLUSIV

At Inclusiv, we believe that true financial inclusion and empowerment is a fundamental right. We dedicate ourselves to closing the gaps and removing barriers to financial opportunities for people living in distressed and underserved communities. We provide capital, make connections, build capacity, develop innovative products and services, and advocate for our 380 member CDCUs. Inclusiv members serve over 14.8 million residents of low-income urban, rural, and reservation-based communities across the United States, as well as Puerto Rico and Washington, DC.