

Why Get a Mortgage Through a Credit Union?



MOUNTAIN AMERICA
CREDIT UNION



Table of Contents

Chapter 1: What Are Credit Unions?	3–4
Chapter 2: Credit Unions vs. Other Financial Institutions	5–7
Chapter 3: The Advantage of Choosing a Credit Union for Your Mortgage	8–9
Chapter 4: Is a Mortgage from a Credit Union Right for You?	10–12
Chapter 5: Why Choose Mountain America for Your Mortgage?	13–15
A Home Run for First-Time Home Buyers	16
Additional Resources	17

Chapter 1

What Are Credit Unions?

What Are Credit Unions?

A credit union is a not-for-profit financial institution. For this reason, they tend to pay higher dividend rates on savings accounts, charge lower fees and offer lower interest rates on loans compared with other financial institutions. Banks, by contrast, are for-profit institutions that are often publicly traded companies with shareholders. Credit unions have a different kind of shareholder—their members, also known as their customers. Credit unions exist, first and foremost, to help people and to serve all of their members well, regardless of their earnings, or how wealthy they are.

Credit unions are member-owned, and each member has equal voting rights, whether they have \$100 or \$1,000,000 in their account. Credit unions try to help members [understand the financial products and services they offer](#) so members can make better-informed decisions that can help improve their lives.

How do you become a member of a credit union?

Each credit union sets its own membership criteria. For example, many credit unions are designed to serve all the employees of the same company or government agency, others are designed to serve the residents of a certain geographic area and still others serve the members of a social organization, like a church or volunteer group. The same credit union may serve several different groups. It's not hard to become a credit union member. Most people will qualify based on where they work or live.



Mountain America Credit Union is in business to help our members achieve their financial dreams. We have a “people helping people” philosophy and put our members’ needs first by offering quality products and services. When members come to us with financial worries, we help lighten their burden. In 2014, for example, we helped homeowners refinance their high-interest loans and mortgages, saving them \$56 million over the life of their new loans.

Chapter 2

Credit Unions vs. Other Financial Institutions

Credit Unions vs. Other Financial Institutions

There are many good reasons why more than 100 million Americans have placed more than \$1 trillion in assets with credit unions. For starters, consumers typically find lower or no fees, higher savings rates, lower loan rates and more personalized service at credit unions. As a result, credit unions continually score higher than other financial institutions in consumer satisfaction surveys.

Credit unions are the only democratically controlled financial institutions in the United States. Members elect a volunteer board of directors to oversee the credit union, and the president/ CEO reports to this board.

The 2015 Banking Landscape Report from Wallet Hub, a major personal finance website, found that “credit union products continue to offer market-leading interest rates among branch-based institutions, providing more than 2 times as much value as regional banks and over 5 times as much as national banks.”

Another benefit of credit unions is that accounts usually have fewer strings attached, such as minimum balance requirements or associated penalty fees. A study by Bankrate, the web’s leading aggregator of financial rate information, found that consumers are twice as likely to find a free checking account at a credit union compared to a bank. This study of the nation’s 50 largest credit unions found that 72% of credit union checking accounts have no minimum balance requirements or monthly maintenance fees.

Likewise, Wallet Hub’s analysis of 2,000 bank and credit union checking and savings accounts nationwide found that credit union checking accounts offer significantly lower fees and significantly higher dividend rates than community banks, small banks, regional banks or national banks.

You’ll find these benefits at Mountain America. For example, we offer a [student checking account](#) with no minimum balance required to open or maintain the account, and our [MyFree CheckingSM](#) account has no minimum balance requirements or fees. Additionally,



our [MyStyle CheckingSM](#) account waives the \$4 monthly fee (already lower than many banks charge) if you use at least four, eligible products and services that you'd probably want to take advantage of anyway, such as direct deposit, online bill pay, eStatements and online banking. In 2014, Mountain America ranked near the top of all credit unions for our competitive fees and rates, as compared to other financial institutions.



Chapter 3

The Advantage of Choosing a Credit Union for Your Mortgage

The Advantage of Choosing a Credit Union for Your Mortgage

Choosing a credit union for your mortgage can have many advantages, including a variety of loans not available through most lenders. You might find a lower interest rate through a credit union than through a bank, as well as lower mortgage fees and even no fees, in some cases. For example, our [First-Time Home Buyer Mortgage](#) requires no private mortgage insurance, and our [Mini Mortgage](#) refinance product lets you shrink your existing loan term down to 5–15 years and save on interest, without paying any closing costs for new loans less than \$250,000.

Because credit unions are so focused on serving their members, borrowers tend to experience faster, smoother home closings when they work with credit unions. At Mountain America, we offer convenient options, like e-closings, that you won't find just anywhere. Last year, we became the first financial institution in the nation to e-close FHA and VA mortgage loans, using our [Quick Close](#)SM paperless mortgage processing. Quick Close sends the loan closing documents to you via a secure email link and lets you review the documents in the privacy of your home or office so you can ask questions before the closing. This service is available with conventional mortgages too, not just FHA and VA mortgages. Quick Close is just one example of how we provide superior customer service and an easy loan experience for our members.

See if Mountain America can offer you a less expensive mortgage than other financial institutions by requesting quotes from at least three lenders, including us. Then compare the APR, or annual percentage rate, for each loan. The lower the APR, the better. Also compare closing costs like the lender's origination fee, processing and application fees, title charges and escrow expenses to get an idea of the loan's true cost.



Chapter 4

Is a Mortgage from a Credit Union Right for You?

Is a Mortgage from a Credit Union Right for You?

Just because credit unions may be smaller than banks doesn't mean you won't find a wide range of mortgage options at a credit union. At Mountain America, you'll find a variety of home loan* options. One of these is bound to fit your needs:

- ➡ 100% Financing First-Time Home Buyer Mortgage
- ➡ 15-, 20- and 30-Year Fixed-Rate Conventional Mortgages
- ➡ 5-, 7- and 10-Year Adjustable-Rate Conventional Mortgages
- ➡ FHA Loans
- ➡ Construction Loans
- ➡ Lot Loans
- ➡ Jumbo Loans
- ➡ VA Loans
- ➡ USDA Rural Housing Loans
- ➡ Mini-Mortgages with 5-, 7-, 10-, 12- and 15-Year Fixed-Rate Terms
- ➡ Refinance Loans
- ➡ Quick CloseSM Loans

**Loans on approved credit. Equal Housing Lender.*

Credit unions, like all mortgage lenders, must consider factors such as your income, employment, debts and credit score, when deciding whether to give you a mortgage. Credit union and bank mortgages, on average, have similar mortgage interest rates. However, there are some important differences between credit unions and other home lending institutions when it comes to mortgages.

One difference is that credit unions keep more of the mortgages they originate. While they do sell loans to large investors like Fannie Mae and Freddie Mac, they don't sell as many as other mortgage lenders do. That gives credit unions more flexibility in extending mortgages to creditworthy borrowers whose financial circumstances don't fit neatly into conventional lending guidelines. If you've been turned down by a bank for a mortgage, a



credit union might be able to help.

Another difference is that despite having more flexible lending guidelines, credit union loans of all types have lower delinquency rates than bank loans of all types. That means you're less likely to get a loan you can't afford to repay from a credit union than from a bank. Credit unions issue loans carefully and try to match members with the best products for their needs.

How Can You Determine If A Credit Union Is Right for You?

Credit unions offer mortgages that meet almost every typical home buyer's financing needs, whether you're buying an existing home, purchasing an ideally situated piece of land or building your dream home. Credit unions also offer unique mortgage products that banks sometimes don't. For example, if you don't have a down payment, you might find that other lenders won't do business with you unless you qualify for a VA or USDA mortgage, but Mountain America offers [100% financing to qualified first-time home buyers](#).

Mountain America's rates are competitive and our customer service and values go above and beyond.

When you're looking for a mortgage, take time to shop around to find the loan that has the best combination of interest rate and fees. We think you'll find that Mountain America's rates are competitive and that our customer service and values go above and beyond.

Chapter 5

Why Choose Mountain America for Your Mortgage?

Why Choose Mountain America for Your Mortgage?

Owned by our members, we work for you by following our core values:

- ➔ Mutual Trust and Respect—showing respect to members, employees and all with whom we come into contact
- ➔ Honesty and Integrity—maintaining trust and professionalism in all dealings
- ➔ Stewardship—acting responsibly and maintaining financial integrity
- ➔ Quality Service—providing outstanding service to members and employees
- ➔ Continuous Improvement—adapting to the changing needs of members and the organization

Our employees say they choose to work for us because they enjoy helping people improve their lives. There's a reason why we're ranked as one of the best places to work in Utah and Idaho, as well as one of the best credit unions to work for, period. You can expect great service every time you interact with a Mountain America employee.



Our purpose is to help members achieve their financial dreams—whatever those dreams might be. We provide resources such as in-branch financial advisors, online and print newsletters, educational brochures and seminars to help members and nonmembers alike make informed financial decisions. It's part of our philosophy of “people helping people.”

Other benefits we are proud to offer as a credit union include:

- ➔ Lower rates on loans and higher earnings on savings—interest rates on credit cards and auto loans average one-half to one percentage point lower than at other financial institutions.
- ➔ Money market, savings and dividend checking accounts with higher dividend rates—giving back more to members.
- ➔ Visa® Credit Cards with rewards points, low interest rates, no annual fees and no hidden fees.
- ➔ Higher dividend rates on certificates of deposit, which Mountain America refers to as term deposits. Our rates are well above national averages, and in some cases,

they're nearly double of what you'll find elsewhere. Our term deposits have low minimum deposit requirements—just \$500—and terms range from six months to five years.

- ➡ Youth term deposits with a \$25 minimum deposit for anyone 27 and younger. If you have kids, it's a great way to start teaching them the value of saving. Term deposits earn higher dividends than a regular savings account, and balances up to at least \$250,000 are covered by NCUA insurance.
- ➡ Shared ATMs and branches for members' convenience. Mountain America belongs to a nationwide network of more than 5,000 shared branches and 30,000 surcharge-free ATMs. Wherever you are, you can access your money and get help with your accounts.

In addition, you'll be able to use our online and mobile services on your smartphones and tablets to monitor account activities, track cleared checks, transfer funds, deposit checks, pay your loans with Mountain America and other institutions and even pay friends and family—all at your convenience.

Mountain America is also involved in the community through initiatives like our [Pay It Forward](#) and [Keys to Success](#) programs. We provide scholarships and have supported [hundreds of charities](#) over the years. In addition, we provide free financial education opportunities through seminars, newsletters, TV segments and radio programs.

Mountain America provides free financial education opportunities through seminars, newsletters, TV segments and radio programs.

Join our growing membership (more than half a million members) today! Contact us at 1-800-748-4302 or visit one of our 86 branches across five states: Utah, Idaho, Nevada, Arizona and New Mexico. We'd love to get to know you and help you find the best mortgage loan and other financial products that meet your needs.

Mountain America is here to serve all your financial needs. When you choose us as your mortgage lender, you'll also have access to all of our other financial products:

- ➡ Savings accounts
- ➡ Special youth savings accounts
- ➡ MyStyle CheckingSM
- ➡ Credit cards
- ➡ Consumer loans—auto, mortgage and personal
- ➡ Business services
- ➡ Retirement planning services
- ➡ Tax services
- ➡ Student loans
- ➡ SBA loans

A Home Run for First-Time Home Buyers

For consumers looking to buy their first home, it's Mountain America to the rescue! Thanks to our oh-so-affordable 100% First-Time Home Buyer Loan Program, you can get into a new house with minimal out-of-pocket expenses—as little as \$1,000 down—believe it or not. Added bonus: You can have a lower monthly payment because you aren't required to obtain mortgage insurance.

The Smile-Inducing Benefits of a First-Time Home Buyer Loan

- ➡ Up to 100% financing (OAC)
- ➡ Down payment as little as \$1,000
- ➡ One, low payment
- ➡ No income limitations
- ➡ No [private mortgage insurance](#)
- ➡ Loan amounts up to \$275,000—[calculate your payment](#)
- ➡ Seller can contribute up to 3% toward closing costs
- ➡ Payments can be conveniently deducted from your Mountain America checking or savings account each month
- ➡ No prepayment penalties
- ➡ Quick Closesm electronic closings available
- ➡ Various payment options:
 - ➡ 5/1 and 7/1 adjustable-rate mortgage with a fixed rate for the first 5 and 7 years respectively (for buyers who don't plan on living in one place for very long)
 - ➡ 30-year fixed-rate mortgage (for buyers who expect to stay longer)
- ➡ Education on home ownership*
- ➡ Cheers, screams of joy, sighs of relief

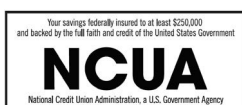
Meet With a Mortgage Specialist

Please visit [our website](#) to request a consultation with a Mountain America loan officer.

*Home ownership and credit management course completion is required to maintain program eligibility.

Additional Resources

- ➡ **HOW MUCH HOME CAN I AFFORD?** Before you start house hunting, review your finances and determine how much you can realistically pay. Read this short article to learn about a few things to consider. [Learn more.](#)
- ➡ **ESTIMATE PAYMENTS WITH OUR MORTGAGE CALCULATOR:** You can estimate your loan payment by using Mountain America's [mortgage calculator](#). Not only will it help you set a budget for your home purchase, it will allow you to compare rates and understand the benefits of making a larger down payment or an earlier loan payoff.
- ➡ **UNDERSTANDING PMI AND DOWN PAYMENT:** Buying your first home? The process can be a little daunting. But with proper guidance, understanding Private Mortgage Insurance (PMI) and your down payment are easier than ever. [Learn more.](#)
- ➡ **GIVE US A CALL:** Mountain America is here to help. Give us a call at 1-800-277-7703 to learn about all of your home financing options.



This credit union is Federally insured by
The National Credit Union Administration.



Mountain America Credit Union is
an equal housing lender.



MOUNTAIN AMERICA
CREDIT UNION

www.macu.com

1-800-277-7703