



Attracting First-Time Home Buyers

By Nicolette Lemmon, President, LemmonTree Marketing Group,

It's typically first-time buyers who have the toughest time scraping together a down payment.

According to the National Association of Realtors, 45% of first-time home buyers opted for 100% financing between July 2006 and June 2007.* And, most recent Freddie Mac and Mortgage Bankers Association predictions anticipate the benchmark 30-year fixed-rate mortgage will average less than 6% during the remainder of the year.

It is estimated that there are over 700,000 to 800,000 first-time home buyers that are waiting to see what happens as the mortgage market stabilizes according to Walter Molony, spokesman for the National Association of Realtors.** Most realtors and mortgage representatives have noticed the nervousness of young adults, even into their 30s, when contemplating buying their first home. The problems with the sub prime mortgage meltdown, falling housing prices, and markets where mortgage money has been dramatically curtailed, all have contributed to a "wait and see" attitude rather than make a bad decision.

To give first-time buyers the confidence to start the process, your credit union has the opportunity to engage them early. Try these ideas for capturing their business:

- Create a target list of members ages 25-40 for messages about having mortgages available, especially for first-time homebuyers. Communicate in newsletters, direct mail and e-marketing that your credit union is in the mortgage business and was never a sub prime lender.
- Offer a "First Time Home Buyer" seminar to allow your mortgage representatives a chance to provide information to young adults looking for their first home.
- Promote one-on-one sessions with your mortgage representatives specifically for first-time home buyers to discuss the mortgage process.
- Let members know that your credit union can prepare a pre-approval before a home search with the incentive of closing cost discounts or home improvement gift cards when they finalize their mortgage.

To contact LemmonTree Marketing Group, a highly valued consulting firm in the credit union industry that has provided marketing outsource solutions for over 24 years, visit www.lemmontree.com or email 7solutions@lemmontree.com.

"100% more difficult - First-time home buyers struggle to find down-payment money," By Amy Hoak, MarketWatch, March 9, 2008

**Housing Crisis Putting Off First-Time Homebuyers, CNBC, March 3, 2008.