

Welcome to the Neighborhood!



Mission Statement

Our mission is to enhance the mortgage product offering for all Credit Unions, be it owners or members by way of the diverse mortgage products offered and by keeping each Credit Union's mortgage origination and servicing income in the community they serve.



Neighborhood Mortgage is serving 48 Credit Unions in 9 states. These states consist of:

- Alabama
- Connecticut
- Florida
- Illinois
- Indiana
- Michigan
- Ohio
- Washington
- South Dakota



New Members in 2012

- Allegan Community FCU – August
- ATL – October
- Awakon Community FCU – July
- Comm Star CU – September
- Community West CU – September
- Greater Niles Community FCU – October
- H.P.C. CU – April
- Northern Hills Federal CU - November
- San Antonio Citizens FCU – February



New Members in 2013

- Independent FCU
- Post Community CU
- Rogue River Community CU
- Saginaw Medical FCU
- Spokane Firefighters CU
- Amicus CU
- Oak Trust CU
- Rivertown Community CU



Year End Loans Serviced

<u>Year</u>	<u>Loans</u>	<u>Total</u>
2011	4,013	\$421 Million
2012	6,627	\$712 Million

69% Increase

“Alone we can do so little; together we can do so much.”

-Helen Keller

Loans Serviced YTD 2013

7,687 Loans \$831 Million

\$1 Billion in 2013

2012 Year End Portfolio

<u>Who</u>	<u>Loans</u>	<u>Total</u>
• Members	4,462	\$512 Million
• Founders	2,165	\$200Million
• Total	6,627	\$712 Million



NMS YEAR END STATISTICS

	2011	2012
• Asset Size	\$3,830,977.00	\$4,974,265.00
• Equity	\$3,613,604.00	\$4,764,370.00
• Net Income	\$208,430.00	\$1,063,559.00

NEIGHBORHOOD MORTGAGE SOLUTIONS, LLC
STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2012 AND DECEMBER 31, 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and Cash Equivalents (Note 3)	\$ 34,089	\$ 57,305
Investment Securities		
Other Investments	2,715,000	2,715,000
Premises and Equipment (Note 4)	118,796	84,385
Prepaid Expenses	35,477	31,958
Loan Servicing Asset	1,957,141	1,000,253
Loans Held-for-Sale	29,456	0
Other Assets	84,309	45,548
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TOTAL ASSETS	4,974,265	3,934,449
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LIABILITIES AND EQUITY		
Accounts Payable and Other Liabilities	110,440	183,637
Borrowed Funds	99,456	70,000
Commitments and Contingent Liabilities		
Members Equity	3,240,000	3,240,000
Retained Earnings	1,524,369	450,812
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TOTAL LIABILITIES AND EQUITY	\$4,974,265	\$3,934,449
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Game Plan for 2013



Mortgage Facts & Projections

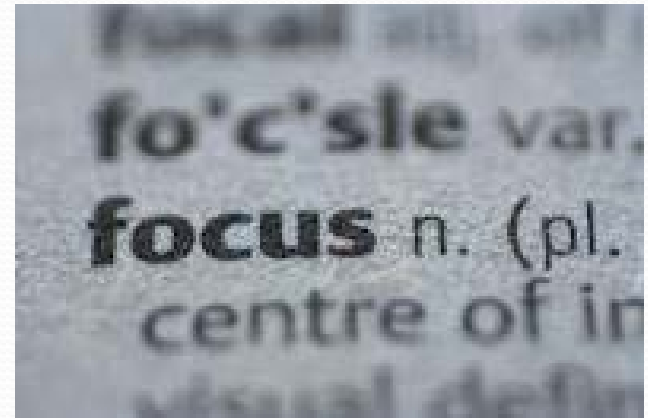
- 6,819 credit unions end of 2012
- Membership grew 2.2% from 91.8m in 2011 to 93.8m
- Mortgage lending increased 5.7% reaching \$246.3B
- CU assets grew over \$60B to end over \$1 Trillion
- CU net worth up \$8.4B to end over \$106.7B
- Home prices up 1.4% in January 2013
- National home inventory shrunk by 23%

GSE's Think:

- Home sales for 2013 projected at 5.45 million units and 5.8 million units in 2014
- Home prices to increase 3% in 2013 and 2014
- Loan volume to be \$940B in first half of 2013 and \$760B in 2nd half of 2013.
- Loan volume for 2014 projected to be \$1.25 Trillion

Areas of Focus in 2013

- HARP Extended YE 2015
- CFPB & the Regulatory Maze
- The Future of FNMA
- The Housing Market



“Individuals play the game, but teams beat the odds.”

-Navy SEALs

FNMA Quality Control

- Pre Funding – 2% of Applications
- Post Closing – 10% of Closed Loans
- Discretionary – Self Identified – Higher Risk Loans
- Denied – 10% of All Denied Loans



Training

- Kristy's underwriting news letter
- Joint Web X with PMI or FNMA Partners
- NMS Hosting with Brian tutoring
- FNMA, RD, FHA, white papers
- Melody's "Cover Your Fannie" compliance new letter
- FIC Compliance Conferences
- Mortgage University

*"Coming together is a beginning.
Keeping together is a process.
Working together is success."*

- Henry Ford

Quality Service – Credit Union Culture

- Company
- Teams
- Individuals



What's new?

- Class II Investment Offering
- Xtend Servicing
- Growth Projection
- Government Loans
- NMS Processing & Closing Teams



“The path to greatness is along with others.”

- Baltasar Gracion

Collections

As of 12-31-12

- Zero buybacks
- 32 Loans over 30 days = .50% DQ ratio

**“Together
Everyone
Achieves
More”**

-Unknown



**MAKE 2013 A GREAT
YEAR!**

THANK YOU!