

Peace of Mind Mortgage Insurance Is Good for Everyone

By Victor Galloway

Aristotle said, “Every community is established with a view to some good.” In the mortgage insurance (MI) industry, we know that banks contribute to the greater good in their communities, especially as you guide your customers through today’s complex mortgage market. According to the Federal Reserve, community banks make up 95 percent of all banks and thrifts in the U.S. today. While that number is impressive, perhaps the most valuable and unique aspect of community banking is the day-to-



day service you provide in towns and neighborhoods across America. With the turmoil and uncertainty throughout the housing and mortgage markets, potential homebuyers are looking for guidance, and being equipped with helpful information and tools is more important than ever.

MI companies, such as Genworth Financial, recognize the value of community banking and are committed to helping you grow your business by increasing overall originations with quality loans, prudent underwriting standards and adherence to regulatory requirements to ensure your overall profitability.

Most importantly, mortgages backed by MI offer safety and security in the long-term to borrowers and offer you an attractive, affordable product to get your customers into homes. Insured mortgage loans are on the rise—approximately 40 percent greater in 2007 than in 2006. As the risks with piggyback loans began to outweigh the benefits, more and

more originators began using MI to qualify their low down payment borrowers into safe and secure mortgages.

And while MI protects lenders in the event of borrower default, it also features many consumer protections as well. For the lender, mortgage insurers provide default protection

operational standpoints.

Equipping your staff with the most up-to-date information and training is an important part of originating new mortgages. After all, your loan officers are the face of your business. Genworth offers many staff training programs, which we operate in partnership with com-

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and an array of risk management, market analysis, and training resources. For the borrower, mortgage insurance is tax deductible, helps to keep monthly payments fixed, often includes involuntary unemployment insurance, and helps to keep homeowners in their homes if times get tough. Simply put, when a borrower has less than 20 percent to put down, mortgage insurance is in everyone’s best interest.

One way to grow your business is to identify lending opportunities in your market. Once you gain insight into your rankings and market share, you can work on strategic planning to capitalize on market opportunities. Genworth’s Smart Market Analysis tool can help you pinpoint areas for growth and provide a strategic roadmap to help you get there. Then you will be better prepared to handle the future market make-up from legal, compliance and

munity banks. Since technology is the key to leveling the playing field between community banks and the larger national banks, many of our educational and training programs are available online as well. Topics range from studying mortgage history to understanding industry terminology to implementing automated underwriting systems and other current technology.

For example, Loan Officer University is a comprehensive three-day class for new mortgage professionals. Another course—Mortgage Loan Essentials—provides hands-on experience in collecting and reviewing the data and documentation necessary for a quality loan file, as well as how to conduct a thorough borrower interview. Our anti-fraud course, Shut the Door on Fraud, teaches lenders about various types of fraud and how to identify red flags that may indicate the presence of fraud

within a file. These courses give your staff an overview of originating and processing services, while focusing on the individual needs of your customers.

As regulatory and industry standards tighten in this mortgage market, prudent underwriting is becoming more critical every day. Community banks can look to MI companies to help meet these new standards. At Genworth, we can also put our resources to work for you with our onsite underwriting solutions. Since relationships are so important in community banking, choosing to have compliance underwriting performed at your shop allows your loan officers to spend their time more productively working on customer relationships and closing more loans.

Helping to increase your profitability, while maintaining good customer service, is perhaps the greatest benefit MI companies can offer to community banks. By offering solutions to increase loan quality and productivity, reduce

errors and automate with technology, we can help reduce your expenses. We also can help

As you navigate the murky waters of today's mortgage market for your customers, look

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cut your capital reserve requirements for 80 percent loan-to-value and higher borrowers in half, while adhering to Basel II requirements and helping to maintain liquidity. Safe and secure loans originated with MI offer reduced exposure to risk, and therefore more profitability for your business.

We also help you offer value-added products to your customers, including pre-purchase consumer education discounts and homeowner assistance for borrowers experiencing financial hardships. At Genworth, we've helped approximately 8,000 homeowners avoid foreclosure and stay in their homes in the past year alone.

to MI companies for help along the way. We understand the value of community banking and are committed to helping you grow your business. **5**

Victor A. Galloway is segment marketing manager for community banks with Genworth Financial, a leading financial security company meeting the retirement, longevity, lifestyle protection, investment and mortgage insurance needs of more than 15 million customers. It has a presence in 27 countries. For more information, visit www.genworth.com.



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