

Boston Globe: When lender says no, turn to CUs

BOSTON (7/2/09)--Credit unions are a good alternative to traditional mortgage financing as credit markets overall have tightened up, the *Boston Globe* said in a Tuesday article.

Credit unions were listed as the No. 1 alternative of five options mentioned by the newspaper.

"Unlike banks and mortgage companies that sell their loans on the secondary market, many credit unions actually keep the loans they make in their own portfolio," the article said.

"The secondary money market purchases bundles of loans from lenders. These loans must meet specific guidelines such as those set by [the Federal Housing Administration], Freddie Mac and/or Fannie Mae. Once the primary lender sells the loan, the lender is now in the position to make another loan to a new borrower," the article said.

Credit unions that don't sell the loan on the secondary money market can set their own loan requirements, the article added.