



# Credit Union Mortgage Rate Pricing

For Credit Union Portfolio

April 2, 2026

Johnnette Blakley, AVP Residential Lending

# Portfolio Loans

Through Centennial Lending's Portfolio Loan Program, the credit union retains ownership of its loans while the CUSO, Centennial Lending manages the heavy lifting. From processing and underwriting to closing and long-term servicing.

While the credit union can portfolio any Conventional loan, Government products must be sold on the secondary market. However, the credit union can offer 'Government-style' Conventional loans by mirroring those same terms and conditions for its own portfolio.

By keeping the final lending decision in-house, the credit union ensures every loan aligns with its specific risk appetite and member needs.

# The “Mirroring” Strategy



When we talk about mirroring 'Government-style' terms, we're talking about helping members who might not fit a standard conventional box but deserve a seat at the table. It allows you to offer low down-payment options or flexible credit requirements without the red tape of a federal agency, all while keeping that interest income in-house.

# Risk Appetite vs. Member Loyalty

The secondary market is rigid. If a loan doesn't fit the box, it's a 'No.' But with a portfolio strategy, you have the power to say 'Yes' based on a 20-year relationship with a member that a computer algorithm might not see. That is the true power of the partnership we're discussing today.



# From Commodity to Relationship: The Power of Portfolio Lending



Portfolio lending replaces commodity-style price wars with "white glove" flexibility, allowing credit unions to act as custom problem solvers rather than just lenders. By keeping loans in-house, you retain both interest income and member loyalty, turning a single transaction into a sustainable, community-focused relationship that big-box banks simply can't replicate.

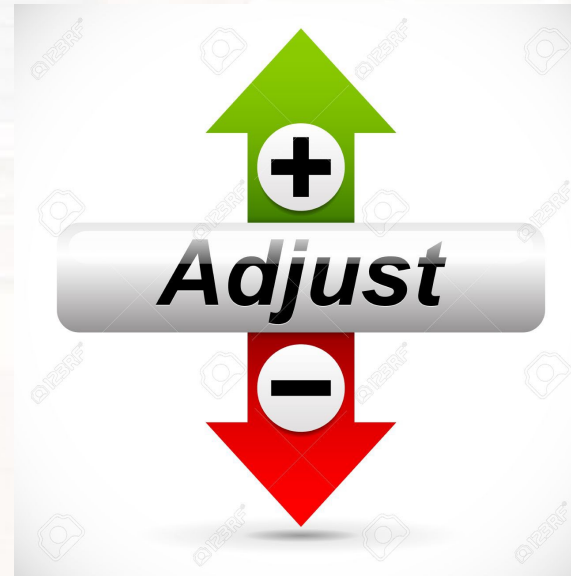
# The “Common Sense” Check

Imagine a member who has been the face of your credit union for over ten years—someone whose name the tellers know by heart and whose payment history is flawless. This member recently took a leap of faith to start a new business. While the venture is thriving and their bank accounts show healthy cash flow, their most recent tax returns are filled with start-up deductions and equipment depreciation. To a secondary market investor like Fannie Mae, this person is a "no" because they don't fit the rigid two-year history box. In the secondary market world, their dream of a new home ends with an automated decline.

However, in your world, the conversation shifts from a box-checking exercise to a common-sense evaluation. Your credit union looks at the person, not just the paper. You recognize that while the tax returns don't "look" right yet, the member's ten-year track record and actual business liquidity tell a different story.

By asking "Does this make sense?", you structure the portfolio loan with a slightly adjusted interest rate to account for the unique profile. This allows your credit union to retain the loan in-house and provides the member the ability to buy a home today. You aren't just making a loan; you are rewarding a decade of loyalty and securing a partnership for the next decade to come.

Portfolio lending bypasses rigid secondary market rules, allowing you to weigh a member's full financial picture rather than just their paperwork. By adjusting rates to account for specific risks like short self-employment history, you transform a standard rejection into a custom solution.



This common-sense approach provides a path to homeownership that traditional banks can't offer, turning a guaranteed "no" into a life-changing "yes."

# Portfolio Packet for Decisioning

What you can expect from us.

- Your member loans are sent to your credit union for review within three business days of receipt of the application.
- At this point, information on the URLA has not been verified yet
- Centennial's internal loan officer will send the credit union a Preliminary Portfolio Packet
  - Preliminary Portfolio Decision –CU will use this to respond
  - CLUE
  - URLA
  - If applicable, RESPA Disclosure Statement (*CU Partner Tier dependent*)

# Preliminary Portfolio Decision



**Borrower(s):** Mary Homeowner

**Property Address:** 1234 Main Street  
Broomfield, CO 80020

**Loan Type:** Conventional      **Loan Amount:** \$540,000.00

**Loan Purpose:** Purchase      **Estimated Appraised Value:** \$600,000

**Occupancy:** PrimaryResidence      **LTV/CLTV:** 90.000% / 90.000%

**Amortization Type:** Fixed      **Debt-to-Income:** 41 %

**ARM Margin:** %      **Interest Rate:** 6.000%

**ARM: Floor:** %      **Term:** 360

**ARM Index Type:**      **Due In:** 360 months

**Lock Status:** locked      **Lock Expiration:** 05/04/2026

**Loan Officer Name & Contact Info** Johnnette Blakley, 720-494-2752, jblakley@centennial-lending.com

The loan terms above are preliminary and subject to change.

Credit Union intends to retain this loan in their portfolio:  Yes  No

If yes, please complete the remainder of this form.

Interest Rate (please select one option):

Credit Union will offer the interest rate of: \_\_\_\_\_ %

Credit Union will lock the interest rate as presented.

Credit Union will allow interest rate to float with the market and borrower to elect when to lock.

If Credit Union intends to retain the loan in their portfolio, it will be underwritten and documented to portfolio underwriting guidelines. Based on the findings of this underwriting, we will notify you if this loan qualifies for a Safe Harbor prior to closing.



## Preliminary Portfolio Decision

Thursday, March 26, 2026

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Additional comments:

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We have not been provided with a member number for this loan. Please provide this information below.

Member Number \_\_\_\_\_

Acknowledged by: \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_ Credit Union \_\_\_\_\_

# Portfolio Packet for Decisioning

What we need from you.

- Complete and return the Preliminary Portfolio Decision
  - Timely review of the packet and return of the PPD will expedite the loan process for the member; reminder, the loan officer is under the TRID 3-day rule

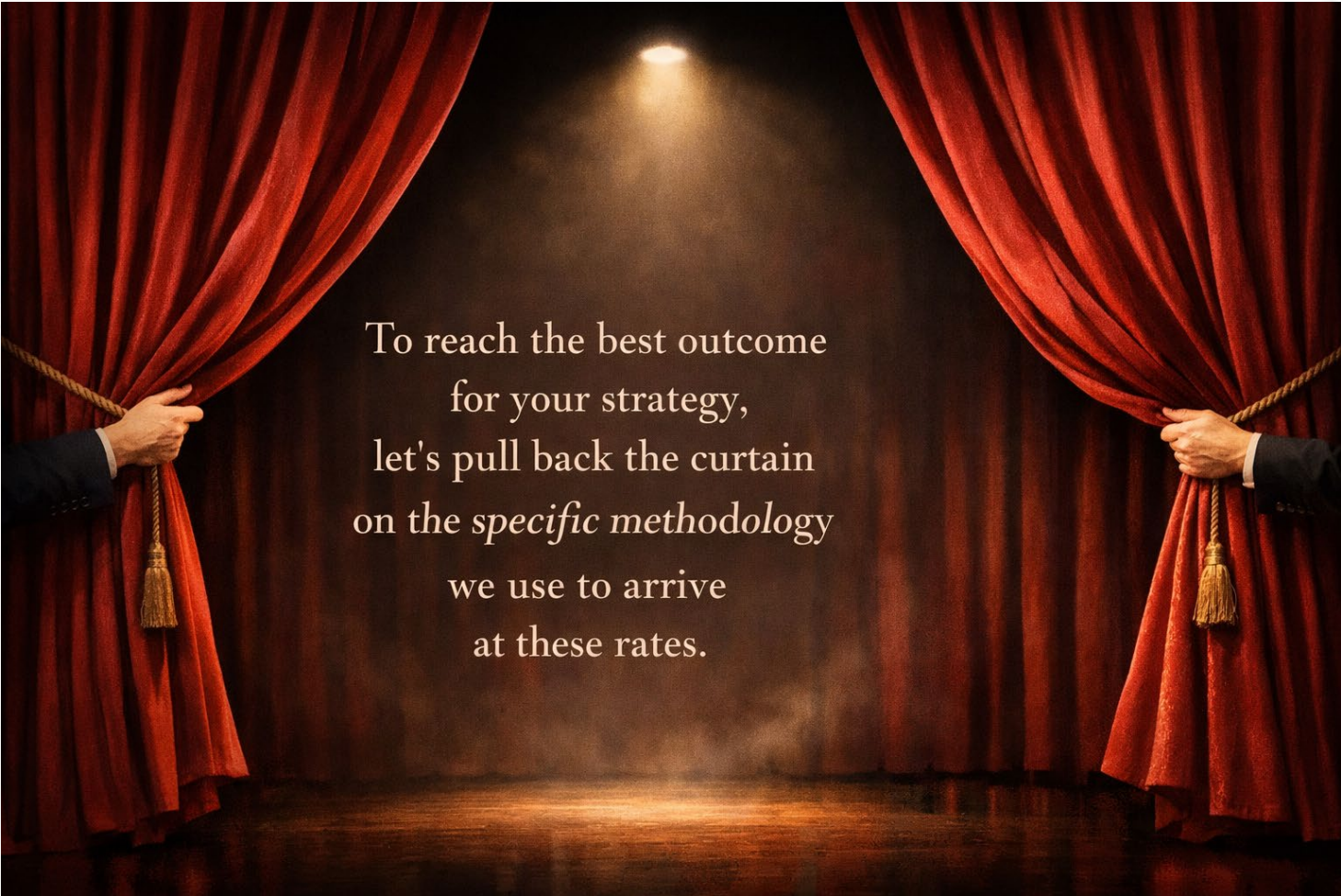
The most common question we receive about a portfolio loan is...



# Portfolio Loans and Credit Union Pricing

- Credit Unions can choose to price portfolio loans in any manner as long as the pricing is consistent
- Credit Union pricing methodology is not required to follow agency pricing (i.e., Fannie Mae, etc.)
- Credit Unions may choose to grant lower rates if the credit unions individual pricing models allow
- **Credit Unions *cannot* offer rates higher than what is available to the member on a traditional secondary market loan that the member qualifies for at the time**

# Methodology



To reach the best outcome  
for your strategy,  
let's pull back the curtain  
on the *specific methodology*  
we use to arrive  
at these rates.

# Conventional Loans

## Fannie Mae example

Investor	LTV				Credit Score	Property Types	DTI	Derogatory Credit Events
FNMA	Primary Residence	Purchase & Limited Cash-Out Refinance	1	FRM: 97%* ARM: 95%	Not imposed if DU is Approve/Eligible  Loan w/ more than 1 borrower may reflect an average median score - follow DU for guidance	1-4 Unit (Attached or Detached);	Determined by DU - must be Approve/Eligible	Waiting periods are determined from the date of discharge or completion date.  Bankruptcy Chapter 7: 4 years;  BK Chapter 13 is 2 years from discharge date OR 4 years from dismissal date;  Multiple BK filings: 5 years (if >1 filing w/in the past 7 years);  Foreclosure - 7 years;  Short Sale or Deed-in-Lieu - 4 years;  As always, must have DU Approve/Eligible
			2-4	FRM: 95% ARM: 95%				
		Cash-Out Refinance	1	FRM: 80% ARM: 80%				
			2-4	FRM: 75% ARM: 75%				
	Second Home	Purchase & Limited Cash-Out Refinance	1	FRM: 90% ARM: 90%		PUDs (Attached or Detached);		
		Cash-Out Refinance	1	FRM: 75% ARM: 75%				
	Investment Property	Purchase	1	FRM: 85% ARM: 85%		<b>Does not include Manufactured Homes - See Below</b>		
			2-4	FRM: 75% ARM: 75%				
		Limited Cash-Out Refinance	1-4	FRM: 75% ARM: 75%				
			Cash-Out Refinance	1	FRM: 75% ARM: 75%			
		2-4		FRM: 70% ARM: 70%				

# Derogatory Credit Events

## Bankruptcy (Chapter 7 or 11)

- Four-year waiting period is required

## Bankruptcy (Chapter 13)

- Two-year waiting period for discharge; or
- Four-year waiting period for dismissals

## Foreclosure

- Seven-year waiting period is required

## Deed-in-Lieu of Foreclosure

- Four-year waiting period is required

## Pre-Foreclosure Sale (Short Sale)

- Four-year waiting period required

## Mortgage Charge-Off

- Four-year waiting period is required

## Mortgage Delinquencies

- Mortgage accounts cannot be 60 or more days past due in the last 12 months
- Past-Due Non-Mortgage Accounts must be brought current prior to closing

# Fannie Mae Pricing Model

<https://singlefamily.fanniemae.com/media/9391/display>



## Purchase Money Loans – LLPA by Credit Score/LTV Ratio

Credit Score	LTV Range									
	Applicable for all loans with terms greater than 15 years									
	≤ 30.00%	30.01 – 60.00%	60.01 – 70.00%	70.01 – 75.00%	75.01 – 80.00%	80.01 – 85.00%	85.01 – 90.00%	90.01 – 95.00%	>95.00%	SFC
≥ = 780	0.000%	0.000%	0.000%	0.000%	0.375%	0.375%	0.250%	0.250%	0.125%	N/A
760 – 779	0.000%	0.000%	0.000%	0.250%	0.625%	0.625%	0.500%	0.500%	0.250%	N/A
740 – 759	0.000%	0.000%	0.125%	0.375%	0.875%	1.000%	0.750%	0.625%	0.500%	N/A
720 – 739	0.000%	0.000%	0.250%	0.750%	1.250%	1.250%	1.000%	0.875%	0.750%	N/A
700 – 719	0.000%	0.000%	0.375%	0.875%	1.375%	1.500%	1.250%	1.125%	0.875%	N/A
680 – 699	0.000%	0.000%	0.625%	1.125%	1.750%	1.875%	1.500%	1.375%	1.125%	N/A
660 – 679	0.000%	0.000%	0.750%	1.375%	1.875%	2.125%	1.750%	1.625%	1.250%	N/A
640 - 659	0.000%	0.000%	1.125%	1.500%	2.250%	2.500%	2.000%	1.875%	1.500%	N/A
≤ 639	0.000%	0.125%	1.500%	2.125%	2.750%	2.875%	2.625%	2.250%	1.750%	N/A

# Check Current Rates

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## What We Do

Our Mission: We deliver superior value through innovative lending solutions, expertise, and positive experiences.

Our Vision: Be the primary lending solution for our partners and all borrowers.



Residential Mortgages



Commercial Loans



Vehicle Leasing



Construction Loans





# Answering nine questions

Occupancy\* ?

Primary Residence

Type of Property\*

Single Family

Loan Purpose\* ?

Purchase

Purchase Price\* ?

\$

Down Payment\* ?

\$

State\* ?

Zip\* ?

Credit Score\*

Military or Veteran

No

SUBMIT

# Can change everything

# FICO Score Breakdown

The five parts to a FICO credit score



- 35%** **PAYMENT HISTORY**  
Pay your debts on time. This is the single most important factor of your credit score.
- 30%** **AMOUNT OWED**  
Avoid using more than 30% of your available credit; this may signal to creditors that you are at a higher risk for defaulting.
- 15%** **LENGTH OF CREDIT HISTORY**  
In general, a longer credit history will increase your score.
- 10%** **CREDIT MIX**  
It's beneficial to have different types of credit (credit cards, installment loans, auto loans, mortgage loans etc.).
- 10%** **NEW CREDIT**  
Avoid opening several credit accounts in a short period of time; this can represent a greater risk to the lender (especially for those without a long credit history).

Credit Score Ranges	
800+	Exceptional
740 - 799	Very Good
670 - 739	Good
580 - 669	Fair
< 580	Poor

