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## **Member Business Solutions Reaches \$1 Billion in Loans**

Member Business Solutions LLC (MBS), recently passed the \$1 billion mark in underwritten loans. This comes less than a year after surpassing the \$500 million milestone.

"One of the keys to our steady growth has been referrals from existing clients and industry insiders," said Jim Gallagher, MBS president. "We focus on giving our lenders a thorough underwriting package in one to three business days, which allows them to effectively compete in the small business market."

Credit unions entering the market today will find plenty of opportunity, Gallagher said. While banks still deal with large volumes of bad loans, loans underwritten by MBS have an aggregate reportable delinquency rate of 0.64% versus 3.35% reported by the National Credit Union Administration for credit unions nationally.

During the same period, the commercial bank delinquency rate exceeded 5%, which has provided more opportunities for MBS partners because high delinquencies have tightened credit in the general marketplace.

"Our credit union business lenders are not encountering a lot of competition because the bankers are contracting and trying to manage problem loan portfolios," Gallagher said.

MBS is unique in its focus on encouraging its partners to fill their portfolios with amortizing secured-term loans with a concentration on owner-occupied real estate, Gallagher said.

Also, MBS' emphasis in underwriting loans has been on global cash flow. As a result of the CUSO's attention to the two criteria, the portfolios of MBS partner credit unions have performed above average, he added.

Another byproduct of the current economic landscape is the lack of traditional income sources at financial institutions. "Credit unions are being squeezed with a lack of consumer loan demand and falling investment rates, leading them to explore business loans," Gallagher said.

MBS has 60 partner credit unions, 11 of which joined in the last year. The CUSO is owned by Southeast Corporate FCU and Georgia Central CU.