

# A Strategic Plan to Reach Hispanics

*How CUs Can Attract the Fastest-Growing Homebuying Demographic in America*

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As we look to the future credit union's face, it's no surprise that lenders are shifting their attention to diversity when it comes to their products, services, employees and members.

Nearly 60 million Hispanics are living in the United States. Many credit unions are focusing on strategies that make homeownership a possibility for their growing number of Hispanic members who want to achieve the American dream.

The Urban Institute projects that by 2030, 56% of all new homeowners will be Hispanic.<sup>1</sup> And according to Freddie Mac, in 2018 there were 4.9 million mortgage-ready Hispanic Millennials, also called Hispanials, in the United States.<sup>2</sup>

So why aren't more credit unions establishing a plan to attract Hispanic members and employees?

Edgar Hernandez, CUNA Mutual Group's Multicultural Strategy Manager, was asked that question during a recent meeting with MGIC marketing staff. Hernandez said it's for the simple reason that many credit unions just don't know how to go about reaching the Hispanic demographic.

And what's the best way to attract this untapped set of potential first-time homebuyers? According to Hernandez, credit unions should focus on what

Hispanics value most.

This article will provide insights about the Hispanic homebuying demographic to help credit unions develop a more diverse outlook on these prospective homebuyers with valuable strategies, tools and cultural insights.

## **FAMILY, TRUST, LANGUAGE, COMMUNITY**

To start with, family is everything in the Hispanic community. Hispanics tend to focus on the collective well-being of their families rather than on individual wellness and prosperity.

They'll typically base their decisions on feedback from parents and other trusted

family members. For example, members of their extended family might even attend meetings with a loan officer regarding the purchase of a home, even if they won't be listed on the mortgage.

Often, Hispanics live in multi-generational households: They live with multiple members of their extended family under the same roof. Hispanics are twice as likely to live in a multi-generational household than the general population. This is very important for real estate and mortgage professionals to keep in mind when Hispanic CU members are looking for homes.



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Building a trustworthy relationship with your Hispanic borrowers is also incredibly important. Mortgage professionals must take the time to listen and be open-minded when it comes to differences in cultural traditions, language and the decision-making process.

Hispanic members are not shy about asking questions to better understand the homebuying process, and the loan officer or mortgage professional is viewed as a trusted advisor. That's why maintain-

# Family Language Trust Community

ing an open and welcoming manner is critical to building trust with Hispanic homebuyers and their families.

And the mortgage professional shouldn't be shy about asking questions, either. It can be helpful when it comes to better understanding the culture or language.

Regarding communication with Hispanics, language is an important factor, although being able to speak Spanish isn't always a required trait to reach this group. More than 80% of Hispanials speak and understand English. And among Hispanic adults 36 years or older, more than 50% are English-proficient. If translation is needed, another family member will most likely help.

Hispanic homebuyers want their lenders to be visible and to be a part of the Hispanic community. Therefore, a credit union's physical presence in the community is also critical. It builds trust and credibility.

But the credit union needs to do more than have a physical presence. "It's not enough to have an office in the community," said CUNA Mutual's Hernandez. "Lenders and mortgage professionals should engage in their local Hispanic Chamber of Commerce, trade organizations, industry events

and Latin American Consulate." In fact, the best way for CUs to attract and gain more leads with Hispanics is through word-of-mouth referrals.

## TOOLS TO BUILD A DIVERSE MEMBER BASE

MGIC, as a leading provider of mortgage insurance and a partner to credit unions who want to reach the Hispanic community, offers resources and strategies that can help you attract and build a diverse member base, including:



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- A Hispanic marketing webpage, where you can obtain access to tools and resources such as co-brandable flyers and infographics.
- Readynest.com, a consumer-facing website in Spanish with affordability calculators, checklists and other homebuying tools.

■ A comprehensive Spanish Homebuyer Education program with materials to guide your first-time homebuyers, as well as a Homebuyer Education test.

Using tools like these, which are offered on MGIC's Hispanic Marketing website, can help you reach the Hispanic demographic by building understanding, trust and comfort with your Hispanic members.

As a bonus, these tools can also help you develop your Hispanic cultural

competency and be more inclusive in your marketing efforts—while moving into expanding markets—and make a huge difference in the growth of your business.



*Concepcion Guerrero is a Marketing Program Specialist at MGIC. She supports marketing initiatives for credit unions and community banks. Guerrero's bilingual and bicultural background has contributed to MGIC's success in reaching out to the Hispanic market. She holds a Bachelor's Degree in international business from Alverno College. For more information on MGIC's Hispanic initiatives, visit <https://www.mgic.com/tools/hispanic-marketing>.*



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## Footnotes

<sup>1</sup> National Association of Realtors® Realtor Magazine, December 2020 <https://magazine.realtor/daily-news/2019/04/10/report-hispanics-drive-homeownership-growth#:~:text=The%20Urban%20Institute%20has%20predicted,all%20new%20homeowners%20by%202030>.

<sup>2</sup> The National Association of Hispanic Real Estate Professionals® 2019 State of Hispanic Homeownership Report® <https://nahrep.org/shhr/>