

YOUR MONEY

## Bank of Belleville continues growing regional presence

Ron Stephens, president and chief executive officer for Bank of Belleville, knows the key to the bank's success is through client relationships. At the core of its business model is a commitment to community banking and hiring team members who understand the areas they serve. The 15-year-old bank, which has eclipsed more than \$300 million in assets, has expanded over the last year and a half with banks in Clinton, Madison and Monroe counties. Bank of Madison County opened in a temporary location on 100 North Main Street in Edwardsville earlier this year while a permanent space is being finalized. Bank of Clinton County held a ribbon cutting ceremony to celebrate the opening of its new bank at 1210 East Hanover Street in New Baden in August. Bank of Monroe County's new location at 813 North Market Street in Waterloo is expected to be complete by the end of the year. Stephens said their growth strategy hinges on allowing Bank of Belleville to continue its mis-



Stephens

sion as a community and relationship-driven bank while establishing a regional presence across the Metro East. "Our bank's success is built on our relationships with clients, so placing the right people in each of these markets, who really understand the community, has been key," said Stephens. "We have invested in brick and mortar locations so our teams can work within and contribute to the communities where they live. We've been thrilled with the caliber of mortgage and commercial lenders who have recently joined our team as a result of our growth." Paul Abert serves as the market president for Bank of Madison County, Todd Juehne is the market president for Bank of Clinton County and Ryan Osterhage serves as the market president for Bank of Monroe County. They join Kevin Pesko, Bank of Belleville's market president located in St. Clair County. "Our mission and promise of 'Smaller Bank, Bigger Service, Stronger Community' is at the forefront of everything we do," said Stephens. "We want our clients to have the ability to speak directly with decision-makers, who can promptly meet every client's needs." Bank of Belleville operates from its headquarters at 215 S. Illinois St. in Belleville. For more information about Bank of Belleville, go to [www.bankofbelleville.com](http://www.bankofbelleville.com).

## Mortgage lenders should revisit low-income consumers, says study

Low-to-moderate income consumers have traditionally been overlooked in the mortgage market and trail non-LMI consumers in terms of homeownership. A new study from TransUnion suggests closing the gap could yield mortgage lenders as much as \$300 billion in refinancing and purchase originations. Roughly 120 million consumers – equivalent to approximately 50 percent of the credit active U.S. population – are considered to be LMI consumers and as many as 95 percent of these consumers are credit eligible for a mortgage. These consumers are typically defined as having a credit score over 500 and exist across all income levels; as many as 65 percent have an income greater than \$50,000. As such, this segment of the population can offer mortgage lenders a significant growth opportunity, the study concludes. Many LMI consumers may qualify for loans through the Federal Housing Administration (e.g., 3.5 percent down payment) or through Government Sponsored Enterprises (GSEs) such as Fannie Mae or Freddie Mac. Originating more of these types of loans can not only help close the wealth and homeownership gap, banks and credit unions can also earn Community Reinvestment Act lending and service credits and become another source of revenue for mortgage lenders. "Many financial institutions are

interested in expanding financial inclusion efforts to better serve low-to-moderate income consumers and communities. However, they may not have the right tools at their disposal to find and reach specific LMI consumers who are in the market for a home purchase or may benefit from refinancing," said Joe Mellman, senior vice president and mortgage business leader at TransUnion. "This can be a real win-win for lenders and consumers – lenders can grow their business by increasing awareness to consumers that can benefit and consumers are able to realize their dream of homeownership or save money with a refinance." TransUnion's study looked at the credit active population of LMI consumers from Q3 2019 to Q3 2020 and found a significant disparity in the number of LMI consumers with a refinance or purchase mortgage in comparison to the non-LMI cohort. LMI consumers, for example, are 38 percent less likely to get a refinance and 34 percent less likely to get a purchase mortgage than non-LMI consumers. Should lenders take steps to close this gap, it could result in approximately 1 million more refinance loans and purchase loans. According to a recent TransUnion Consumer Pulse Survey, almost half of the 601-660 credit score population incorrectly assumed their credit scores are too low to qualify for a mortgage. Yet, many of these consumers are likely credit eligible for FHA or GSE loans.



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