



C U S O U S E C A S E

Scaling Innovation Across the Network

*How partnering with Takara gives
Mortgage Forward a durable competitive edge*

The Challenge

Mortgage Forward, with a mission of Mortgage Solutions Designed for YOU!, serves a network of 50 member credit unions, helping them deliver high-impact lending capabilities to the communities they serve.

Credit unions across the country are sitting on billions in low-rate mortgages originated between 2018 and 2022. Members who locked in rates below 3% are effectively frozen in place, unwilling to sell, refinance, or move, causing balance sheets to stagnate and new origination pipelines to dry up. It is one of the most widespread and persistent challenges facing the credit union industry today.

“For a CUSO, this environment creates both urgency and opportunity. Member CUs need help – and they are looking to their CUSO to deliver it.”

Most CUSOs offer variations of the same core services. Building something genuinely new, a complex, compliant financial instrument capable of addressing mortgage lock-in at scale, was beyond the reach of any single organization working alone.

The Solution

Mortgage Forward partnered with Takara to become the distribution channel for the DREAM program within its network, instantly gaining a capability that no competitor could replicate without doing the same. Takara operates silently in the background; from the credit union’s perspective, DREAM is Mortgage Forward’s product, white-labeled and delivered under the CUSO’s brand.

The infrastructure that makes this possible is Takara’s shared trust framework. Every pilot and sandbox transaction runs on the same proven legal and accounting rails, meaning any member CU, existing or prospective, can access DREAM immediately. No proprietary build. No servicing rights transfer. No new legal setup. No direct Takara relationship required.

Onboarding is as simple as it gets: a 2-page registration form. The path from interest to live transaction is deliberately frictionless:

- Mortgage Forward introduces DREAM to its network through direct outreach, conferences, and its own sales team, as a branded, proprietary capability
- Interested Cus, whether long-standing members or first-time prospects, sign a 2-page registration form and plug into the shared sandbox immediately
- Takara handles all infrastructure, compliance, AI-driven pricing, and optimization behind the scenes
- First transactions go live within days, not weeks or quarters
- Graduating CUs move to a dedicated trust structure, deepening their program commitment and their relationship with Mortgage Forward

The Impact

The Mortgage Forward–Takara partnership delivers impact on three levels simultaneously: it solves a real problem for borrowers, creates immediate and ongoing value for credit unions, and gives Mortgage Forward a durable competitive edge in a crowded market.

The Borrower: Golden Handcuffs Removed

A member holds a \$500,000 mortgage at 3%, a rate so far below today’s market that selling feels financially impossible. Through DREAM, they receive an offer to settle the loan for \$450,000: a 10% discount, a \$50,000 saving, and the freedom to move. The lien is released. The handcuffs come off.

BORROWER	BEFORE DREAM	AFTER DREAM
Outstanding Mortgage	\$500,000	\$0 – fully settled
Amount Paid to Settle	–	\$450,000
Savings vs. Full Payoff	–	+\$50,000
Ability to Sell & Move	Blocked by golden handcuffs	Fully unlocked

The Transaction: Standard Channel (No CUSO)

When a credit union executes DREAM directly, the \$450,000 borrower payoff is fully allocated: \$435,000 funds the replacement collateral held in trust, \$10,000 goes to Takara, and \$5,000 is earned by the lending CU.

COMPONENT	AMOUNT	RECIPIENT / PURPOSE
Unpaid Principal Balance (UPB)	\$500,000	Original loan balance
Borrower Payoff (DREAM)	\$450,000	10% discount applied
→ <i>Securities Cost</i>	\$435,000	Replacement collateral held in trust
→ <i>Takara Fee</i>	\$10,000	Platform & structuring fee
→ <i>CU Fee</i>	\$5,000	Earned by the lending credit union
Borrower Savings	+\$50,000	Discount vs. full payoff

The Transaction: Mortgage Forward Distribution Channel

When Mortgage Forward is the distribution partner, Takara's fee steps down from \$10,000 to \$7,500, freeing a \$7,500 pool for the CUSO and the lending CU to share. The borrower's payoff and savings are completely unchanged.

COMPONENT	AMOUNT	RECIPIENT / PURPOSE
Unpaid Principal Balance (UPB)	\$500,000	Original loan balance
Borrower Payoff (DREAM)	\$450,000	10% discount applied – same as standard
→ <i>Securities Cost</i>	\$435,000	Replacement collateral held in trust
→ <i>Takara Fee</i>	\$7,500	Reduced – CUSO channel discount
→ <i>Mortgage Forward + CU Fee Pool</i>	\$7,500	Split at Mortgage Forward's discretion
Borrower Savings	+\$50,000	Identical in both channels

The borrower experience and payoff amount are identical in both channels. The CUSO channel redistributes fee economics only.

Mortgage Forward Fee Strategy: Four Options

Mortgage Forward has full discretion over how the \$7,500 fee pool is allocated. This flexibility is one of DREAM's most powerful commercial features, the same product can be tuned to deepen an existing relationship or remove every barrier for a prospective new member.

STRATEGY	MF EARNS	CU EARNS	BEST USED WHEN...
Keep full pool	\$7,500	\$0	Maximizing network revenue
Equal split	\$3,750	\$3,750	Standard partner transaction
Favor the CU	\$2,500	\$5,000	Incentivizing CU adoption
Waive – all to CU	\$0	\$7,500	Recruiting a new CU to the network

Waiving the transaction fee costs Mortgage Forward nothing out-of-pocket – the \$7,500 flows entirely to the lending CU. An ongoing monthly payment fee remains available on top, at Mortgage Forward's discretion, for the life of each active DREAM structure.

One Product, Two Strategic Purposes

DREAM serves Mortgage Forward’s two most important growth goals simultaneously: deepening relationships with existing member CUs, and attracting new ones – with very little operational lift.

	Existing Member CU	Prospective New CU
Primary Benefit	Deepened relationship; new servicing revenue	Immediate access to DREAM with zero prior commitment
Servicing Rights Transfer?	Not required	Not required
Setup Required	2-page registration, live immediately	2-page registration, live immediately
MF Fee Flexibility	Split or keep to reward loyalty	Waive to lower the barrier to yes
Long-term Hook	Ongoing monthly payment fee; next origination	Graduate to dedicated trust; deepen commitment

Early Results

“A prospective CU can go from first conversation to live DREAM transaction without transferring servicing rights or making a long-term commitment”

“DREAM isn’t just a product Mortgage Forward offers, it’s a reason credit unions stay.”

Onboarding time has already compressed from 8 weeks under prior approaches to less than one week, with a target of same-day activation.

20% of pilot transactions were executed within the first two weeks of launch, including a transaction by a credit union employee.

The Competitive Advantage

Beyond the economics of any single transaction, DREAM gives Mortgage Forward something far more valuable: a genuine, durable point of differentiation in a market where most competitors look the same.

- Unique product: DREAM addresses one of the most urgent, industry-wide challenges facing credit unions, and it is not available off the shelf from any other source
- Eligible at scale: The program is accessible to the vast majority of credit unions regardless of asset size, making it a true network-wide offering
- Retention through depth: Member CUs that activate DREAM develop an ongoing servicing relationship with Mortgage Forward, a structural reason to stay, not just a transactional one
- Recruitment through simplicity: No servicing transfer, no long-term commitment, no infrastructure build. The first transaction sells the relationship

Network Economics: What Scale Looks Like

Because Mortgage Forward operates as Takara’s distribution agent, every DREAM transaction across the network generates fee income and a new servicing relationship, with no per-transaction infrastructure cost.

	10 Transactions	50 Transactions	100 Transactions
MF Fee Pool (max)	\$75,000	\$375,000	\$750,000
Mortgage Servicing Relationships	10	50	100
Total Borrower Savings	\$500,000	\$2,500,000	\$5,000,000
New Origination Opportunities	10 loans	50 loans	100 loans
+ Monthly Payment Fees	Ongoing	Ongoing	Ongoing

Assumes full \$7,500 MF fee pool retained per transaction. Monthly payment fees, new origination revenue captured by member CUs, and long-term servicing relationship value are additional and not included.

In Their Own Words

The following responses are from Mortgage Forward leadership.

“In a crowded CUSO market, the question isn’t just ‘how do we solve a problem?’ It’s ‘how do we solve a problem that nobody else can solve?’ DREAM is our answer.”

– Mortgage Forward Leadership

THE COMPETITIVE LANDSCAPE

CUSOs operate in a crowded market. What does it mean to have a product like DREAM, one your competitors simply cannot offer, and how has it changed how you talk to both existing members and prospective new ones?

DREAM is a solution out of left field. It solves one of the biggest problems credit unions have – the mortgage lock-in. It gives Mortgage Forward a real edge in its solutions suite, differentiating it from all others. Importantly, the introduction is quick and smooth, allowing CUs to test the value quickly without making any significant investments.

DEEPENING EXISTING RELATIONSHIPS

For your existing member CUs, DREAM creates a new mortgage servicing relationship on top of what was already there. How do you think about that deepening of the relationship, and what does it mean for long-term retention?

DREAM allows Mortgage Forward to initiate a mortgage servicing relationship one loan at a time. It’s a wedge for one of the most important services in the financial system, and every transaction deepens the tie between the CUSO and the CU’s balance sheet.

ATTRACTING NEW CU’S

A prospective CU can run their first live DREAM transaction without transferring servicing rights or making a long-term commitment. How has that changed your recruitment conversations?

We moved from 8 weeks of onboarding to less than a week, and we intend to get it down to a day. The offer to test the value proposition quickly and without friction is rare and priceless. The barrier to ‘yes’ has never been lower.

THE CHOICE

You could have tried to build something like this internally. What made partnering with Takara’s infrastructure the right call instead?

Takara is an elite mortgage product and technology company. Everything is automatic and streamlined, ready for scale, while also offered as a white-glove service. The AI layer is deep, expertise that CUSOs and CUs simply don’t have internally. Takara also provides a cross-client pricing and optimization module that optimizes pricing and conversion across the

network. Building any of this ourselves would have been a multi-year undertaking with no guarantee of success.

THE VISION

How do you see this partnership evolving, and what does having DREAM in your product suite mean for where Mortgage Forward is headed over the next few years?

DREAM is the first product of the Takara–Mortgage Forward partnership, but not the last. More is coming on the same technology platform, distribution model, and target audience. Takara and Mortgage Forward complement each other well, Mortgage Forward serves the long tail of the market while Takara concentrates on larger institutions. Together, we cover the full spectrum.

“It’s rare to be able to offer such value – a true win-win.”

– Michael Abraham, Mortgage Forward

“If you have borrowers with low-interest home mortgages, DREAM is an innovative solution that positions credit unions as proactive advocates for their members’ financial wellbeing.”

– Mortgage Forward Leadership

TAKARA

“It’s your move.”

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