



C R E D I T U N I O N U S E C A S E

# Thawing the Balance Sheet & Driving New Originations

*How DREAM turned a locked mortgage portfolio  
into a member engagement opportunity*

# The Challenge

Great Lakes Credit Union (GLCU) holds a portfolio of low-rate mortgages originated for its members during the historically low-rate period of 2018–2022. Many of these members are now effectively “locked in” – hesitant to sell, refinance, or move because doing so would mean giving up a below-market mortgage rate.

*“As a result, GLCU faces two related challenges: low-yielding mortgage assets remain on its balance sheet longer than expected, while new loan origination volume slows as members delay their next financial move.”*

# The Solution

GLCU partnered with Takara to launch the DREAM program and create a targeted, member-friendly path for eligible low-rate mortgage borrowers.

Through DREAM, selected members receive an offer to settle their mortgage obligation at a discounted amount when they are ready to move. At closing, the loan is assumed through the DREAM structure and supported by replacement collateral held in trust, allowing the existing lien on the property to be released.

**In the initial GLCU pilot transaction:**

| OUTSTANDING BALANCE  | DREAM AMOUNT                    | MEMBER BENEFIT               |
|----------------------|---------------------------------|------------------------------|
| <b>\$411,982</b>     | <b>\$370,784</b>                | <b>\$41,198</b>              |
| <i>Remaining UPB</i> | <i>Discounted payoff amount</i> | <i>Savings to the member</i> |

The process gives GLCU a structured way to identify eligible loans, present a clear offer to members, and complete the transaction through a repeatable closing framework.

# The Impact

**DREAM creates rare alignment between member value and credit union economics.**

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| <p><b>Member Benefit</b></p> <p>In the initial GLCU pilot, the member received a \$41,198 benefit through the DREAM offer.</p>  | <p><b>Member Mobility</b></p> <p>The program gives members greater flexibility to sell, move, or purchase their next home without losing the full embedded value of their low-rate mortgage.</p> |
| <p><b>Member Engagement</b></p> <p>GLCU can re-engage members with a tangible financial offer, not just a marketing message.</p>  | <p><b>Portfolio Strategy</b></p> <p>GLCU gains a structured way to address low-yield mortgage exposure and create more balance sheet flexibility.</p>  |
| <p><b>New Origination Recapture</b></p> <p>In the pilot transaction, the member financed their next mortgage with GLCU. The DREAM benefit helped the member reduce principal and buy down points, improving affordability while allowing GLCU to retain and deepen the member relationship.</p> | <p><i>A rare win-win</i></p> <p>Members move forward with more flexibility, and the credit union creates new value from a locked mortgage portfolio.</p>   |



“We're excited to be the first financial institution in the country to roll out this program.”

Fred Campobasso | Chief Lending Officer at GLCU

# Executive Interview

The following reflects GLCU's perspective on the DREAM program, the challenge it addressed, the solution it provided, and the experience of bringing it to members.

## THE PROBLEM

**Can you describe the impact the 'mortgage lock-in effect' was having on your balance sheet and your ability to generate new originations?**

*Mortgage lock-in was creating friction on both sides. Members with low-rate mortgages were hesitant to move because they did not want to give up a below-market rate. At the same time, those loans remained on our balance sheet as low-yielding assets, while new mortgage activity slowed because members delayed their next move. DREAM gave us a way to turn that challenge into a proactive member engagement opportunity.*

## THE SOLUTION

**What made you decide that the DREAM program was the right strategic move for your institution right now?**

We were looking for a practical solution to the mortgage lock-in problem. DREAM stood out because it gave us a way to help members unlock value from their low-rate mortgage while creating a structured path to manage our low-yield mortgage exposure. It aligned with our mission: help members move forward while creating a stronger business opportunity.

## THE EXPERIENCE

**One of the biggest hurdles for CUs is tech integration. How would you describe the experience of launching the pilot with Takara?**

*The pilot was designed around our existing workflows, with limited integration required upfront. Takara handled much of the heavy lifting around structure, documentation, and closing coordination. That made it possible to start with a controlled pilot, prove the value, and think about deeper integration gradually as the program grows.*

## THE RESULT

**How has this program helped you re-engage with your members and unlock liquidity that was previously frozen?**

*DREAM gave us a new reason to engage members with a real financial benefit. It opened the door to broader conversations about each member's next financial need. In practice, means we can support members with additional tools, like new loan, debt consolidation, refinancing strategy, or other services, turning a locked mortgage into a new relationship opportunity.*

TAKARA

*"It's your move."*

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