

\$3 Billion Mortgage Platform LendingHome Is Open to Partnering With Banks

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There are advantages to both sides for banks to partner with mortgage solutions, one of the U.S.'s largest digital mortgage companies told Bank Innovation why they are open to partnering with banks.

[LendingHome](#), which has originated \$3 billion in loans since 2014, offered details about how the company might work with banks.



"Banks could bring a customer to us, and we can either originate and service, then sell the asset to the bank on the back end.," Matt Humphrey CEO of LendingHome, told **Bank Innovation**.

The young CEO said the traditional cost to close a loan in the US is just under [\\$9,000 per loan](#). He says banks are struggling to get that price down. LendingHome's price, which he did not name, declines by several hundred dollars every six months, Humphrey said.

LendingHome's current model of going directly to the consumer and mainly interacting with banks at the marketplace stage in a loan lifecycle, i.e. when a loan is sold to a financial institution, is proving lucrative. Humphrey says the company is building \$100 million a month in scale.

But automated lending platforms like LendingHome and [Blend](#), which has originated \$60 million in loans since 2012, solve for costly underwriting, by using machine learning systems that evaluate thousands of data points from which to underwrite loans. Over

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Blend has already begun more closely partnering with banks, and has a deal in the works, expected to close at year's end, with [BOK Financial](#), a bank with \$30 billion in assets. BOK is tasked with innovating for a network of half a dozen banks across the country.

"We're looking to release an online lending platform, in partnership with Blend," Colin Huntley SVP, senior director, digital solutions, told **Bank Innovation**. "I'm cautiously optimistic that our partnership will be solidified by the end of the year."

BOK Financial's network includes Bank of Albuquerque, Bank of Arizona, Bank of Oklahoma, Bank of Texas, Mobank, Colorado State Bank and Trust and BOK Financial Mortgage services. 70% of these banks customers engage with the bank via digital.

Huntley says fintech solutions tend to be implemented across all the banks in company's network.

With this implementation comes certain challenges.

"Many banks use a variety of disparate, legacy systems to power their underwriting capabilities," Brian Kneafsey, head of client operations at Blend, told **Bank Innovation**.

Blend has a network of 110 lender partners such as BOK Financial which include individual banks, like Wells Fargo and U.S. Bank, independent mortgage lenders, and credit unions. The company's bank partners collectively represent [25% of the mortgage market share](#).


An advantage for banks to use such services is fast integration, according to Kneafsey.

"Our customers as they're able to seamlessly integrate Blend's platform with their existing technology and get up and running within 30 days." On average lenders can shave 8-to-10 days off the loan cycle with Blend.

The most advantageous way for banks and fintechs to work together in the digital mortgage space will continue to evolve as fintech take more market share.

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