



MarketWise
Advisors, LLC

BLEND MORTGAGE ROI STUDY

Exploring impact on revenue and efficiency

Understanding how and why our customers are succeeding is core to our mission at Blend. It helps us focus our energy on developing features that move the needle. To support this, we recently partnered with MarketWise Advisors, LLC (MWA) to measure the financial and operational impact of Blend Mortgage¹. They asked our customers which features were making a meaningful impact on their bottom line and how much Blend was boosting efficiency in different stages of the mortgage process.

The answers MarketWise received were clear: survey respondents reported Blend's features are shaving an average 11.9 hours of work from each loan, shortening the loan cycle by 7.3 days, and increasing closed loan volume by an average of 1,379 loans per year. When MarketWise Advisors independently analyzed the results, they determined the total potential ROI for a customer using Blend Mortgage is 10.3x. That equates to a potential financial impact of \$827 per loan.

For many of the responding customers, these time and labor savings were instrumental in handling the refinance boom of 2020, allowing them to handle an average of 54% more volume while expanding staff by just 27%.

While the survey analysis makes a powerful case for the ROI Blend can deliver to its customers, it doesn't tell the whole story. This study represents a subset of our overall Mortgage functionality at a point in time in our evolution. As we continue to refine the current features and develop new ones, we believe this ROI will only grow.

1. The results of this survey are based on an independent study performed by MarketWise Advisors. All data in this report comes directly from customers who use Blend Mortgage as part of their origination process. Individual results may vary.

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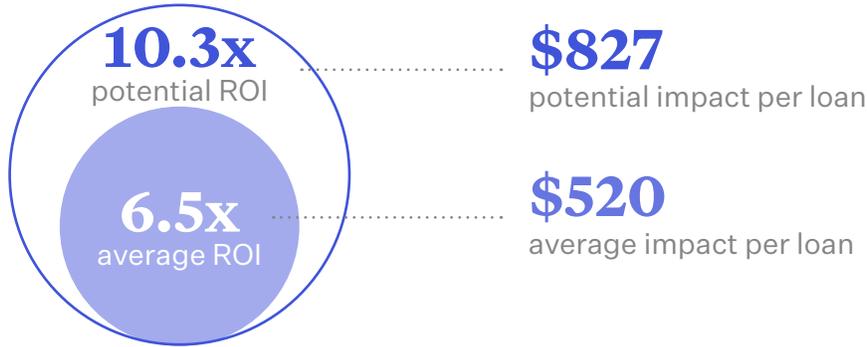
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Summary of key findings

ROI



Time savings

 **11.9 Hours**
Average time saved per loan

 **7.3 Days**
Average time cut from cycle

 **1,379 Closed loans**
Average volume increase annually



Efficiency

Loan officers
Average loans closed per month

12.1

Loan processors
Average loans closed per month

19.0

Underwriters
Average loans closed per month

50.9

Reducing the cost of loan origination

Mortgage origination is lengthy and complex. By tapping into features developed by Blend to streamline the mortgage process, loan officers, processors, and underwriters are able to focus on doing what they

do best — only more efficiently. According to the MarketWise Advisors survey, responding Blend customers were able to achieve ROI in the following ways.

Reduced labor costs

In the survey, Blend customers reported that they were able to shave significant amounts of time off of each step in the origination process. MarketWise Advisors asked lenders to measure

the time savings they experienced with specific Blend features. They then aggregated and analyzed those responses, resulting in the following average time savings:

Lead capture

52.4 minutes

Document uploads and verification

162.3 minutes

Product selection

17.6 minutes

Disclosures and conditions

112.1 minutes

Borrower communication

367.4 minutes

In total, **11.86 hours** are saved per loan,
resulting in **\$496.96** in savings.

Reduced operational costs

Our study results indicate Blend customers were able to see, on average, 7.3 days cut from the loan cycle. The

time savings were linked to specific phases in the origination process:

App submit to processing

2.5 days

Processing to underwriting

2.2 days

Underwriting to clear-to-close

2.6 days

The result is a total of **7.3 days** cut from the loan cycle, resulting in **\$214.82** saved on average per loan.

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Increasing revenue through higher operating leverage

Based on this survey's findings, loan officers and other production staff are also able to produce more loans per month when using Blend, which translates to higher revenue. Across all of the survey respondents, the average number of loans closed per month was 12.1 per loan officer, 19.0 per processor, and 51.0 per underwriter.

Using the 6-year industry average of \$1,300 profit per loan, MarketWise Advisors estimates the average incremental revenue per loan attributable to Blend from increased operational leverage is \$114.56.

\$114.56

estimated incremental increase in revenue per loan

Managing fluctuating loan volumes

Loan volumes tend to oscillate seasonally due to market conditions, but there are some fluctuations that are impossible to predict. Nowhere was this more true than during the 2020 refinance boom. As lenders reacted to the spike in applications, many rushed

to scale up operations to handle the incoming volume. Blend customers who responded to the survey reported that while their volume increased an average of 54%, they needed only 27% more staff to meet that need.



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Blend Mortgage, in brief

Blend Mortgage allows lenders to scale loan volume with intuitive, guided user experiences, data-driven automation, and powerful tools designed to boost efficiency. The seamless lending experiences provide an exceptional customer experience across digital, phone, and branch channels.

By automating and eliminating many of the manual steps that delay approvals and timely closings, Blend Mortgage shortens loan cycle times, freeing loan officers to focus more of their time on finding new customers and serving as trusted advisors.

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Conclusion

According to the survey, Blend Mortgage customers see a powerful return on investment fueled by efficiencies gained throughout the origination process. All told, a survey respondent who turned on all of the features studied could potentially see an ROI of 10.3x, or \$827 per loan. The survey found that by reducing the amount of time needed to complete steps in the process by nearly 12 hours and helping lenders

reduce cycle times by over a week, Blend empowered lenders to reduce both the labor and operational costs involved in originating a loan, improving business efficiency and cost-effectiveness.

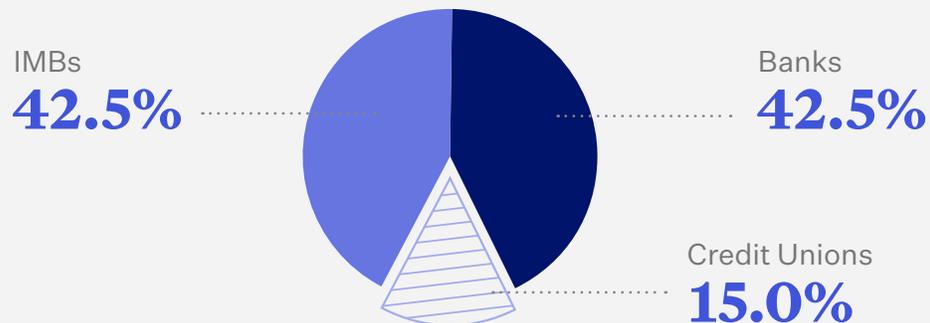
These savings represent only a fraction of the ROI Blend customers can look to enjoy in the long term as Blend continues to refine existing features and roll out new ones.

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Methodology

The survey referenced in this paper was conducted in November and December of 2020 by MarketWise Advisors. MarketWise conducted direct interviews and a comprehensive survey. All data was received and

analyzed independently by Marketwise. The survey received 67 responses, split between Banks (42.5%), Credit unions (15%), and IMBs (42.5%).





Powered by Blend

Blend helps lenders maximize their digital agility. We streamline the journey from application to close for any banking product across every channel. Our Digital Lending Platform is used by Wells Fargo, U.S. Bank, and over 285 other leading financial institutions to acquire more customers, increase productivity, and deepen customer relationships.

About MarketWise Advisors, LLC

MarketWise Advisors LLC was founded in 2005 as a mortgage technology consulting advisory firm.

Over the last 16 years, MarketWise has played a key role in the industry providing expertise to help facilitate a digital mortgage process, data/analytics to reduce risk and IT staffing to deploy systems. Clients include a wide range of banks, mortgage firms and credit unions across North America. MarketWise also provides significant services to the vendor community in providing data, analytics and guidance. MarketWise Advisors LLC helps lenders navigate system selection, performance analysis and technology project staffing.

Offices are located in Jacksonville, Florida with consulting coverage across North America.

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