

Blend ROI Study

Maximizing loan capture and operational efficiency



Forward

by Jordan Brown, CEO of MarketWise Advisors LLC

This is the second annual Blend return on investment (ROI) impact analysis and performance review conducted by MarketWise Advisors. The study provides an independent evaluation of Blend's mortgage technology and its financial and operational impacts.

As an industry, the last year was extremely challenging with a sharp uptick in mortgage rates, changing product mixes, and margin compression. Technology, however, was a bright spot that helped lenders align staffing levels, manage productivity, and scale. While Blend was not immune to industry volume declines, the study indicates that the platform helped lenders navigate turbulent waters in a tough market.

Clients reported that the Blend platform helped increase transaction speed by 37.08%, which, in turn, drove a 34.46% increase in closing rates. In a tight, purchase-driven market, the speed from initial contact to submission to processing is a critical value driver to convert borrower leads into loans.

Overall, ROI grew on an annualized basis by 11.21%, reflecting ongoing research and development expenses delivering value to Blend clients. The average client reported a ROI of 7.95, effectively returning \$7.95 for every dollar spent on the Blend Mortgage Suite. The average financial impact on a per loan basis was \$636.37.

MarketWise Advisors would like to thank all the lenders who participated in the study and the Blend team who sponsored the effort. We look forward to working with Blend clients to provide the analysis, analytics, and visibility to help maximize productivity.

Best Regards,



Jordan Brown
CEO MarketWise Advisors LLC

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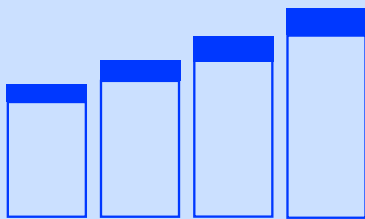
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Summary of key findings

* All numbers are averages.



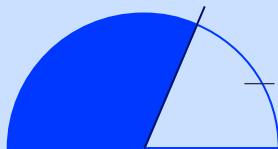
11%

average annualized ROI expansion



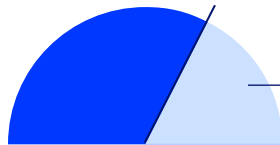
8x

average ROI



37%

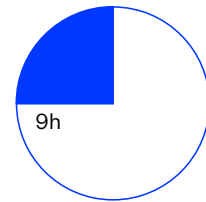
increase in transaction speed



34.46%

34%

increase in borrower closing rates



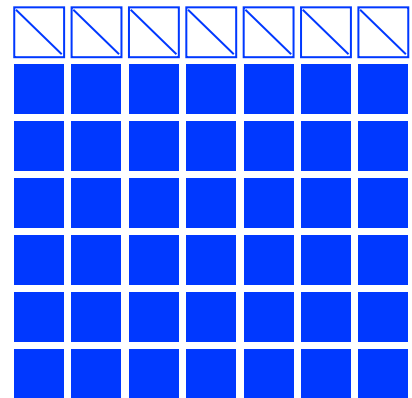
9h

9 hours

saved per file

7 days

cut from loan lifecycle



48 days

[*National average time to close a mortgage is 48 days](#)



\$636

impact per loan

Analysis and discussion

8x

Average ROI

\$636

Average impact per loan

\$4,315,828

Average profit impact per firm

The technology that delivers results

While the mortgage market was challenging in 2022, the ROI results indicate that Blend customers leveraged their technology platform to mitigate some of the shock in moving from a refinance to purchase market environment.

Blend has created and launched innovative mortgage product solutions to cater to specific customer needs. As a result of customers investing in features that help automate tedious steps of the loan process, they were able to save time and money, resulting in higher profitability.

According to the MarketWise Advisors survey, users experienced an average ROI of 7.95x on the Blend Mortgage Suite and its wide array of features.

The importance of automation throughout the process

Taking advantage of Mortgage Suite features that automate and streamline steps throughout the complex mortgage process helps save valuable time that would otherwise be wasted on tedious tasks. As a result, lenders can focus on their customers, close more loans, and create more business opportunities.

In effect, the Blend Mortgage Suite and its features can help lenders do much more work with much less effort and staff.

A week saved during the loan process

Blend users cut about seven days in the origination process using the Mortgage Suite, allowing them to spend more time with more transactions and spend less time in the weeds of each loan. In turn, this can create a faster and more personalized experience for their customers, allowing them to reach closing day quickly and efficiently.

According to the survey, about 73% of respondents indicated that Blend speeds up the processing cycle and helps them complete more loans. This is important from a consumer perspective and impacts the hedge cost per loan. By compressing the cycle time, the number of days at interest rate and fallout risk is decreased.

Focusing on operational leverage

Transaction speed is one of the most important factors driving value — keeping customers moving through the loan process quickly helps keep them in the funnel. According to the survey, there was a 37.08% increase in transaction speed, resulting in an increase of 34.46% in borrower pull-through. As a result of increased pull-through,

Average time saved per file

Pre-application	64 minutes
Automation of qualification, verification, and document collection	173 minutes
Loan structuring	139 minutes
Conditions and disclosures	169 minutes
Total time saved	9 hours 5 min. (~545 min.)

Average time cut from cycle

Submission to processing	2.5 days
Processing to underwriting	2.3 days
Underwriting to clear to close	2.2 days
Total time saved	~7 days

MarketWise Advisors calculated a \$448 impact per file in terms of incremental files completed.

37%

Increase in transaction speed

34%

Increase in borrower pull-through

2,337

Number of incremental closed files

\$448

Impact per file

Conclusion

\$636

Average total financial impact achieved

8x

Actual ROI achieved

According to the MarketWise survey, average ROI increased to 7.95x or \$636.37 per loan. They also reported an average annualized ROI expansion of 11.21% — a strong return on investment for customers who have continued to use the Blend Mortgage Suite over the years.

For existing Blend Mortgage Suite customers, maximizing utilization of all the features and tools will help increase ROI and financial impact.

Regardless of market conditions, there's a clear advantage for lenders using the Blend Mortgage Suite and its library of tech tools. With a shorter loan cycle and customer-focused design, lenders can maximize productivity while creating a best-in-class experience.

“...a strong return on investment for customers who have continued to use the Blend Mortgage Suite over the years.”

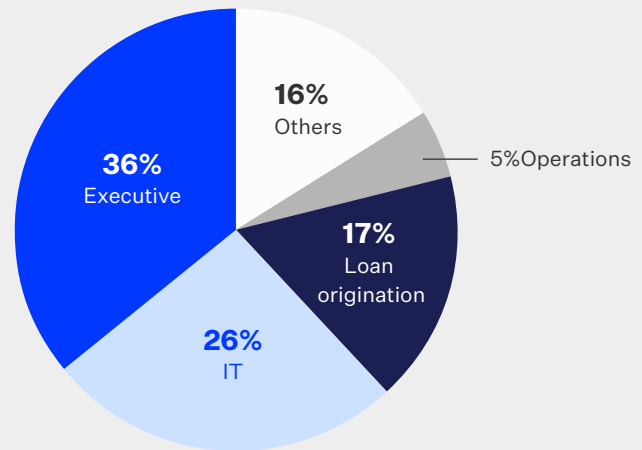
[Use the Blend Mortgage Suite to its full potential.](#)

Methodology

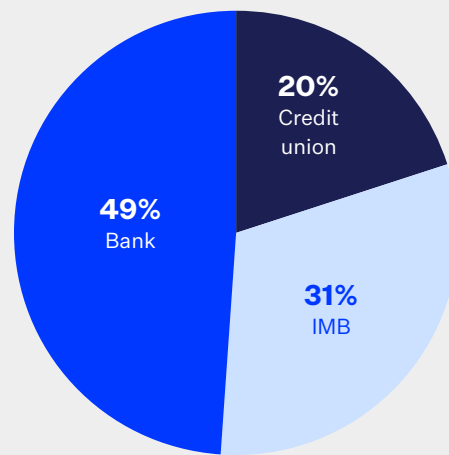
The survey referenced in this paper was conducted by MarketWise Advisors LLC. They conducted direct interviews and fielded a comprehensive survey. All data was received and analyzed independently by MarketWise Advisors.

There were 146 responses across 97 companies, each of which had more than 1000 loans annually and had been using Blend for more than 12 months. Respondents were split between banks, independent mortgage banks (IMBs), and credit unions, and were from all job roles.

Representation across all roles



Institution type



About Blend's Mortgage Suite

Blend's Mortgage Suite 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's Mortgage Suite

shortens loan cycle times, freeing lenders to focus more of their time on finding new customers and serving as trusted advisors.

Definitions

Closing rate

The number of loans closed divided by the number of loans started and multiplied by 100.

Cycle time compression

The average number of days reported by Blend customers eliminated from processing, underwriting, and closing.

Operational leverage

The average productivity increase due to Blend technology reported. Given the same level of resources, operational leverage measures the incremental impact of technology to close more loans.

Return on investment (ROI)

The average financial impact reported divided by the cost of technology.

ROI annualized return

The metric used to evaluate how well an investment has performed over a number of years.

About Blend

Blend is the infrastructure powering the future of banking. Financial providers — from large banks, fintechs, and credit unions to community and independent mortgage banks — use Blend’s platform to transform banking experiences for their customers. Blend powers billions of dollars in financial transactions every day.

To learn more, visit blend.com.

About MarketWise Advisors LLC

MarketWise Advisors LLC was founded in 2005 as a financial services consulting advisory firm.

Over the last 18 years, MarketWise Advisors 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 Advisors also provides significant services to the vendor community in providing data, analytics and guidance. MarketWise Advisors LLC helps lenders navigate system selection, cost of origination reporting, margin analysis, and technology evaluation.

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

*Disclaimer: MarketWise Advisors LLC and Blend provide all data for information purposes only. It is reflective of the data provided by respondents. Neither Blend nor MarketWise Advisors LLC provide any warranty or representation as to its use or accuracy. Individual results will vary.