

**Blend Mortgage Suite
ROI Study Q4 2023**

**Lower origination costs,
improve productivity,
and maximize loan closings**



Table of contents

00

**Forward by Jordan Brown,
CEO of MarketWise Advisors LLC**

01

Analysis and discussion

Technology that expands ROI

Process automation

Time compression

Operational leverage

02

Conclusion

Methodology

About Blend's Mortgage Suite

Definitions

Forward

by **Jordan Brown**, CEO of MarketWise Advisors LLC

We're pleased to share the results of the third annual Blend return on investment (ROI) impact analysis conducted by MarketWise Advisors.

The study provides an independent evaluation of Blend's mortgage technology and its financial and operational impacts, based on survey and interview feedback from 106 Blend customers.

2023 has proven to be another year of turbulence for the financial services industry. The rising interest rate conditions have put tremendous pressure on financial institutions, largely due to lower loan origination volumes and internal cost pressures.

While there remains segment weakness due to economic conditions, this year's results indicate that the Blend Mortgage Suite made a tangible, and increasing impact, helping lenders eclipse a 10x return on their investment level (ROI).

This study defines ROI using three main categories: **process automation**, **cycle time compression**, and the degree of **operational leverage** generated. In all three categories, Blend customers reported substantive and increasing year-over-year improvements.

Customers reported that Blend's Mortgage Suite helped save over 16 hours per file in 2023 from product automation and streamlined application flows. These improvements, in turn, helped eliminate an average of 8 days from the overall loan cycle time—from processing to closing—by over 44%, up 20% from the year prior.

Ultimately, the increase in transaction speed resulted in higher loan closing rates and \$914 in average cost savings per loan—a \$274 increase over 2022 levels. Amidst ongoing compression in financial industry margins, these savings are driving real benefits to Blend customers.

MarketWise Advisors would like to thank all the lenders who participated in the study, and I look forward to sharing the results with you.

Analysis and discussion

Technology that expands ROI

As a technology provider, Blend provides software that delivers economic benefits to its customers, designed to streamline process flows and engineered to minimize transactional friction.

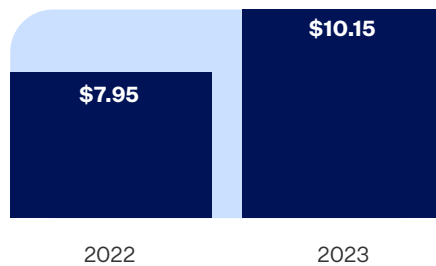
The economic impact is understood by deeply exploring the changes in process automation, cycle time compression and operational leverage.

According to this survey, Blend customers experienced an average ROI increase of 10.15x or \$913.53 per loan, resulting in an average annualized ROI expansion of 18.93%.

For Mortgage Suite customers, this translates into lower costs of origination and profitability opportunities.

10x

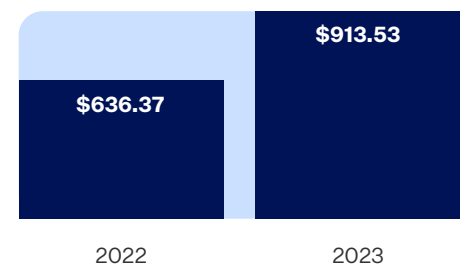
Average ROI



Average return for every dollar invested in Blend technology

\$914

Average impact per loan



Average financial impact per loan reported by Blend customers

Process automation

The mortgage process is composed of hundreds of discrete steps completed by originators, processors, underwriters, loan closers and other personnel to complete a transaction.

As indicated in the study, Blend’s technology helps automate and in some cases eliminate many of these process flows streamlining the effort.

With full implementation, the Blend Mortgage Suite can potentially eliminate up to 988 minutes of manual processes.

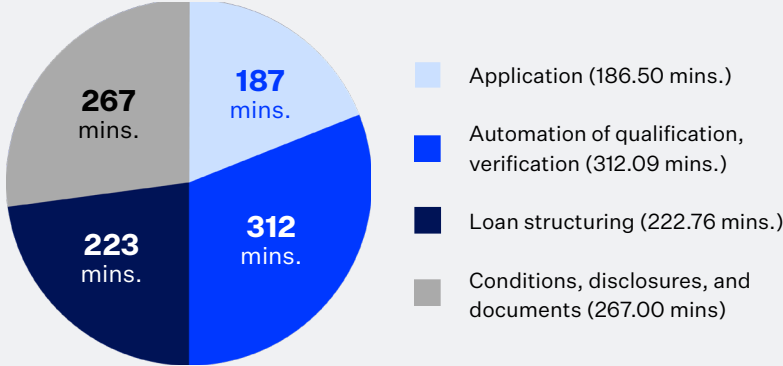
This, of course, is dependent on which functions are deployed and the efficiency of a mortgage operation.

The important facet from this year’s analysis is the uptick from 9.09 hours to 16.47 hours indicating that the Blend Mortgage suite features delivered have a pronounced increased impact due to new feature enhancements.

16 hours 47 minutes

Time eliminated through product automation.

Or a total of
~988 minutes saved, up from ~545 minutes last year.



Time compression

The cycle time for a mortgage loan transaction historically has ranged from four to six weeks. Given process automation, it can materially impact the business flow itself.

Blend customers report the ability to eliminate about 8 days of cycle time. The independent impact of that time compression is that loans can close earlier and are available for sale in the secondary market.

It is important to note that the degree of cycle compression improved 1.5 days year over year (6.90 improved to 8.41). Approximately eighty percent (80%) of respondents indicated that Blend speeds up the processing cycle and helps them complete more loans, up from seventy-one (71%) last year.

~8 days

Total time saved

Average cycle compression

Submission to processing	2.93 days
Processing to underwriting	2.82 days
Underwriting to clear to close	2.66 days
<hr/>	
Total time saved	~8 days

Operational leverage

Operational leverage is an important component of ROI.

By automating a manual process and changing the business dynamics, it changes the game fundamentally. A borrower’s experience is mission-critical in keeping potential loans flowing through the mortgage pipeline (from origination to processing to closing).

With Blend, customers move loans very quickly through a traditionally cumbersome, confusing process. Blend customers report significant increased closing levels due to a highly configurable, more effective process.

Blend customers reported a 40% increase in closing rates—up from 34% in the year prior—by deploying technology.

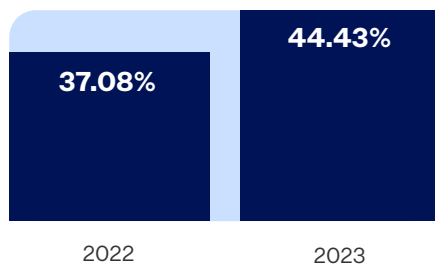
Ultimately, a better borrower experience impacts the number of loans that pull-through. The financial impact of operational leverage is non-trivial—up to \$545 per loan.

Focusing on operational leverage

Increase in transaction speed	44.43%
Increase in borrower pull-through	40.37%
Number of incremental closed files	2,006
Total time saved	\$545.02

44%

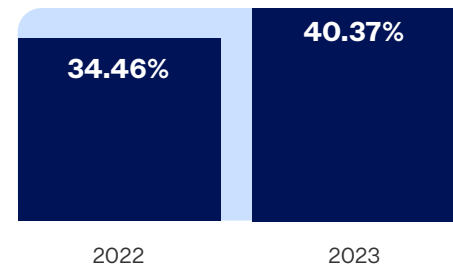
Increase in transaction speed



Reported increase in speed initial contact to submit to processing

40%

Increase in borrower closing rates



Reported % increase in loan closing ratio due to Blend products

Conclusion

ROI is hard to achieve for any technology partner, yet the data speaks for itself: Blend's Mortgage Suite offers a rich and unique set of product capabilities that can materially streamline operations, accelerate cycle time, and accelerate loan closings.

All in all, Blend customers experienced an average ROI

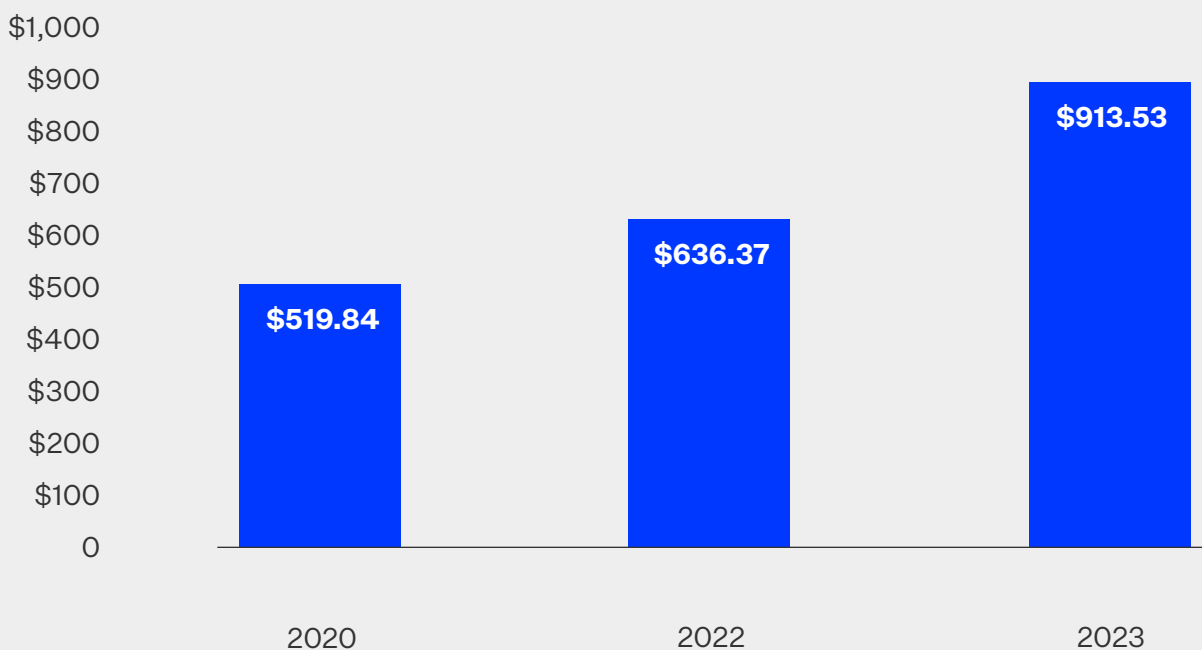
increase of 10.15x or \$913.53 per loan, resulting in an average annualized ROI expansion of 18.93%.

For existing customers, there is an opportunity to expand profit opportunities and streamline costs by continuing to implement Blend's full suite of offerings. The detailed product level

feature impact grid (see page 5) is something that can help guide your long-term training and internal roll out.

To learn more about Blend's Mortgage Suite, visit <https://blend.com/products/mortgage-suite/>.

Annual Financial and Operational Impact Achieved



Methodology

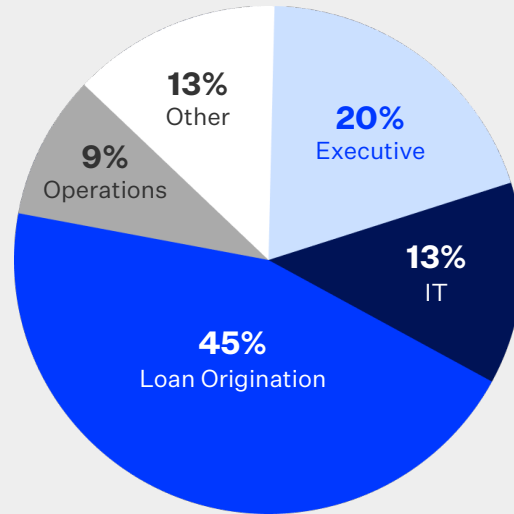
The data referenced in this report was received through a comprehensive survey and direct interviews conducted by MarketWise Advisors.

The survey received 213 responses across 104 companies, each of which had been using Blend for more than 12 months and had more than 500 completed loans.

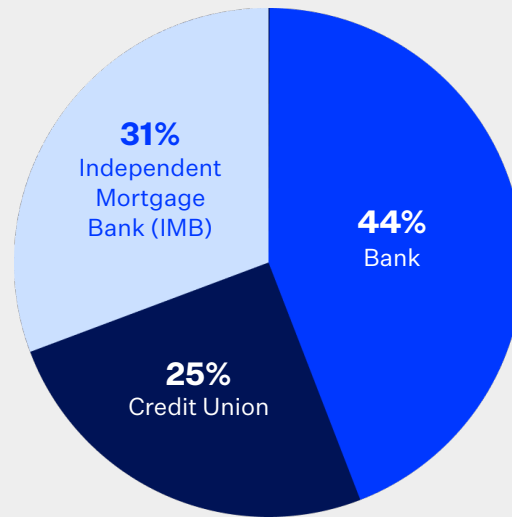
Respondents were split between banks, IMBs, and credit unions, and were from all job roles.

There was a strong emphasis on outreach to mortgage originator staff/loan professionals this year to effectively understand the user experience.

Types of roles interviewed



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 Mortgage

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

Definitions

Closing percentage

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 increases 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 is divided by the cost of technology.

ROI annualized return

The metric is used to evaluate how well an investment has performed over several years.

About Blend

Blend is the infrastructure powering the future of banking. Financial providers — from large banks, fintech’s, 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.

To learn more, visit **blend.com**.

About MarketWise Advisors LLC

MarketWise Advisors LLC was founded in 2005 as a mortgage technology 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. Customers 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, performance analysis and technology project staffing.

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

*Disclaimer: MarketWise Advisors provides 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.