

Footprint of FinTechs in the Canadian Mortgage Market

INTRODUCTION

In recent years, the growth of new financial technology (“FinTech”) products and firms has accelerated in almost every facet of the financial services industry. FinTechs have introduced new capabilities ranging from digital lending to payment solutions using disruptive technologies such as artificial intelligence, robotic process automation, application programming interface, and blockchain.

It is increasingly important for policy makers, businesses and consumers to understand FinTech products and firms related to mortgages, and their associated trends and impacts in the Canadian mortgage marketplace.

The purpose of this research is to highlight the importance of FinTechs and identify areas of opportunity and threats that key stakeholders could consider to find operational efficiencies, improve services and contribute to financial stability. This work is based on a literature scan and interviews conducted by Deloitte who CMHC commissioned to prepare a study on the FinTech sector.

The key questions that this research intends to address include:

- How can we define mortgage FinTech? Who are the key mortgage FinTech players in Canada? Which international mortgage FinTechs could enter into the Canadian space?
- What opportunities the mortgage FinTech industry offers to assist underserved borrowers and achieve customer and market efficiencies?
- What role large lenders have in the adoption of mortgage technology? What are the key barriers that mortgage FinTechs face in Canada?
- What are the key enabling drivers that could stir innovation and growth in this sector?
- What are the key barriers for technology adoption and what can be done about it?
- What could be some relevant considerations and next steps for policy makers, regulators and key players in the mortgage FinTech industry?

AI

Artificial Intelligence (AI): Artificial intelligence refers to the ability of a machine or system to perform tasks that normally require human intelligence, such as risk assessment and customer service.

RPA

Robotic Process Automation (RPA): Robotic process automation is a technology that allows individuals to configure a software or ‘robot’ to emulate mundane tasks within existing applications.

API

Application Programming Interface (API): Application program interface is a software intermediary that facilitates a seamless exchange of information across different applications, systems, and databases.

BC

Blockchain (BC): Blockchain is a digital, decentralized ledger that records, verifies and stores transactions. The information stored on the blockchain is immutable, meaning it cannot be altered or manipulated.

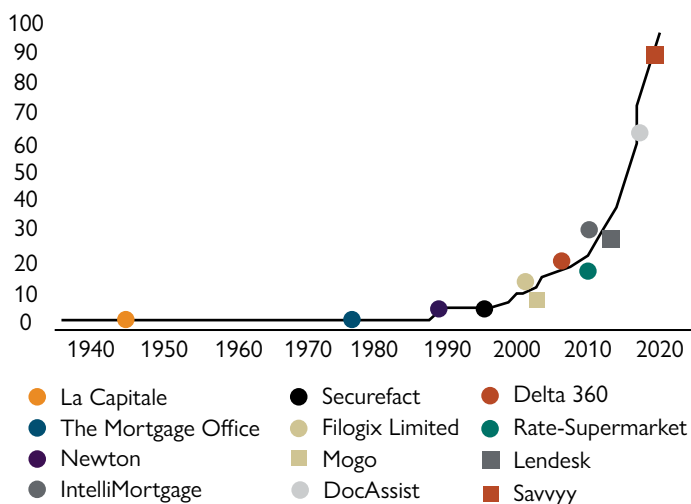
FINDINGS

FinTech Definition and Rate of Adoption in Canada

There is not a clear consensus in the industry with respect to what “FinTech” means. The definition used for this research is situated within the mortgage industry where any business is applying disruptive technologies to enable innovation focused on performing, supporting or enhancing functions associated with the mortgage life cycle.

FinTech firms have exponentially increased in number over the past decade in Canada. The following chart exemplifies firms that were established in an era before the term “FinTech” was commonplace and demonstrates the exponential growth of new entrants during the last decade.

Figure 1: Mortgage FinTechs Currently Operating in Canada by year establishment



Source: Deloitte LLP; y axis represents number of Mortgage FinTechs

While there has been a strong growth of FinTechs in recent years, Canada's adoption rate (50%) is lower than the global adoption rate (64%)¹. This rate represents the percentage of firms in which financial services provided by a FinTech have been used². Four key factors could explain why adoption rates have lagged in Canada according to Deloitte:

- Lack of trust and consumer awareness as Canadians tend to trust more on incumbent financial institutions and some borrowers lack the understanding of how products and firms operate.

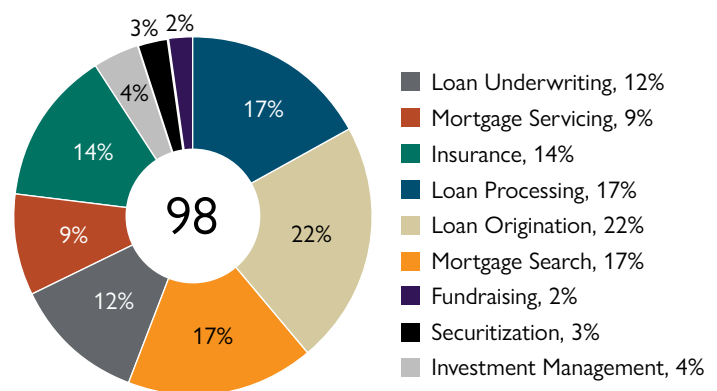
- A complex regulatory system that is less conducive of innovation vis-à-vis jurisdictions like the United Kingdom, United States, Singapore, Germany, Australia and Hong Kong.
- The need of more and greater collaboration between regulators and business to develop a more hospitable setting for firm creation and scaling such as innovation hubs and regulatory encouragement towards the development of still-nascent technologies.
- A concentrated financial sector limiting potential partnerships with FinTechs relative to what FinTechs have experienced in other jurisdictions such as the United Kingdom and United States.

Mortgage Fintech Industry in Canada

Based on the above definition, Deloitte has identified 98 Mortgage FinTechs (See Appendix) active in Canada in 2019 out of a search of 2000 Canadian firms³ with different operations across the mortgage cycle. This list is not exhaustive in nature, however, it intends to portray a reasonable view of the Mortgage FinTech industry. During this research, some firms were excluded due to lack of alignment to our definitional criteria that self-report themselves to be relevant to the industry or that could be characterized by others as mortgage FinTech firms.

In addition, Deloitte identified 72 FinTech firms (See Appendix) in the US, UK and Australia that could potentially expand into Canada based on estimated revenues, total funding received, acquisition activity, and brand prominence. Some FinTech firms might have been also excluded due to data limitations.

Figure 2: Distribution of FinTech Firms by Mortgage Function



Source: Deloitte LLP

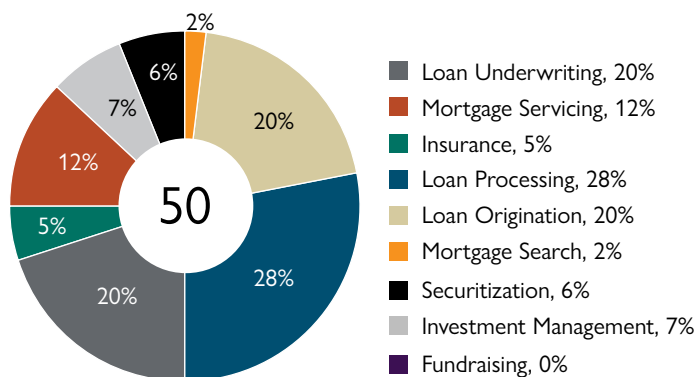
Note: FinTechs perform more than one function simultaneously and as such percentages will not match the total number of firms.

¹ EY, Global FinTech Adoption Index 2019.

² The adoption rate is calculated as a percentage of the digitally active SMEs population in each target market based on online interviews with senior decision makers. Source: EY, Global FinTech Adoption Index 2019.

³ Data sources: Quid, CapitalIQ, Crunchbase, Deloitte's proprietary database, publicly available business lists and individual websites.

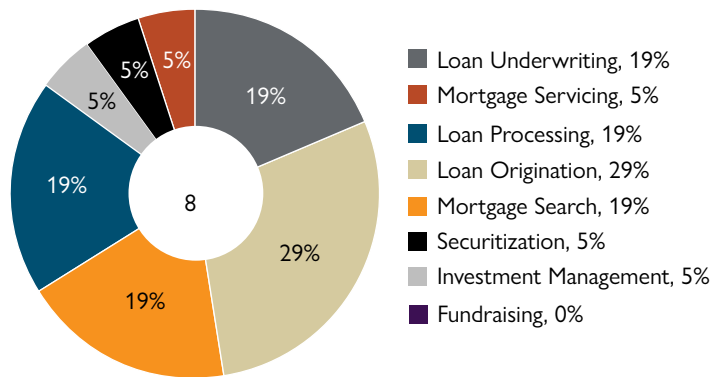
Figure 3: Distribution of FinTech Firms by Mortgage Function, United States



Source: Deloitte LLP

Note: FinTechs perform more than one function simultaneously and as such percentages will not match the total number of firms.

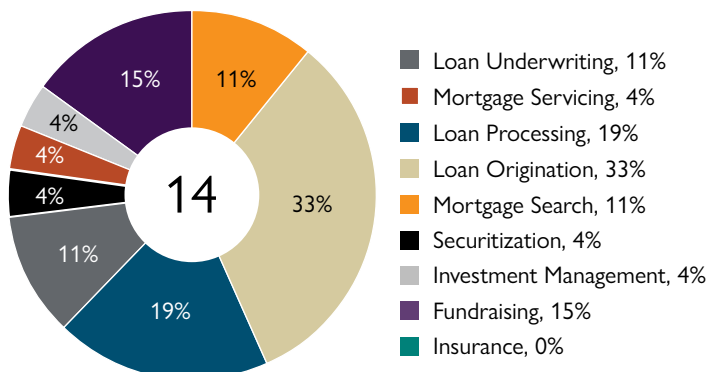
Figure 5: Distribution of FinTech Firms by Mortgage Function, Australia



Source: Deloitte LLP

Note: FinTechs perform more than one function simultaneously and as such percentages will not match the total number of firms.

Figure 4: Distribution of FinTech Firms by Mortgage Function, United Kingdom



Source: Deloitte LLP

Note: FinTechs perform more than one function simultaneously and as such percentages will not match the total number of firms.

Some observations identified during this research could impact different stakeholders in the mortgage industry:

- **FinTechs in Canada operate primarily in two distinct market contexts – business-to-business (B2B) and business-to-consumer (B2C) and each has different characteristics in terms of products, services and consumers.** Examples of B2B products and services include digital infrastructure, document collection, and customer relationship platforms whereas B2C comprise mortgage search platforms, mortgage lending/insurance platforms, and crowdfunding among other services. 65% of the pool of mortgage FinTechs identified by Deloitte operate in Ontario (typically where the firm's head office is located) and slightly more than 50% serve the B2B market. Notably, B2B mortgage FinTechs often engage in collaborative partnerships with financial institutions.
- **Canadian banks have an active role in the development and adoption of mortgage technology.** In recent years, Canadian banks have supported the development of innovative technologies – either through in-house initiatives or collaborative partnerships. It should be noted, however, that as banks are often operating on old legacy systems, innovation related activities can include activities to 'upgrade' systems rather than 'game-changing' innovation projects. Banks use partnerships with FinTechs to co-create technologies that reflect their technical specifications. Encouraging collaboration between banks and FinTechs can be a positive step towards supporting innovation in the mortgage industry.

- **Canada's technology approaches within the mortgage industry are concentrated in the initial phases of the mortgage process** (e.g., mortgage search, loan origination), unlike the US and UK which have seen mortgage technologies innovate all aspects of the mortgage process. There are numerous FinTech firms in Canada that have enabled online mortgage rate/product comparisons and provided a means to initiate the mortgage process online. However, there are few firms that have achieved a fully end-to-end digital mortgage process outside of select incumbent financial institutions. While the apparent concentration of technology/innovation in earlier stages of the mortgage process could be viewed as positive, initial progress towards understanding why innovation levels differ or could not be operationalized later on in the process is critical to further innovating the Canadian FinTech market.
- **Open banking may support the critical path for the industry to more broadly achieve fully end-to-end digital mortgages.** This framework allows for increased interconnectivity between incumbent financial institutions, technology firms, and FinTech challengers. As such, open banking has the potential to enable fully end-to-end digital mortgage experiences by allowing lenders to automatically compile borrower information (contrary to the current tradition of collecting extensive amounts of paperwork from borrowers). Open banking frameworks have been implemented in a growing number of jurisdictions, including the UK, the European Union and Australia. At a high level, the implementation of an open banking framework in Canada is currently being "deliberated among lawmakers".⁴ The outcomes of this activity could significantly shape the extent to which open banking could take off in Canada.

Open banking is becoming increasingly relevant in the mortgage industry. The Financial Stability Board estimates that lowering processing costs in the origination process could result in consumer savings of \$480 to \$960 per loan and cost savings of \$3 billion to \$11 billion annually for banks (in US and European markets). Despite this potential, open banking is still in its early stages and therefore its effect on FinTech and the mortgage industry has not fully realized.

Opportunities and Challenges

FinTechs and their innovative technologies can impact Canada's mortgage industry by enabling a range of opportunities and challenges relevant to borrowers, lenders, investors and the rest of the mortgage market ecosystem.

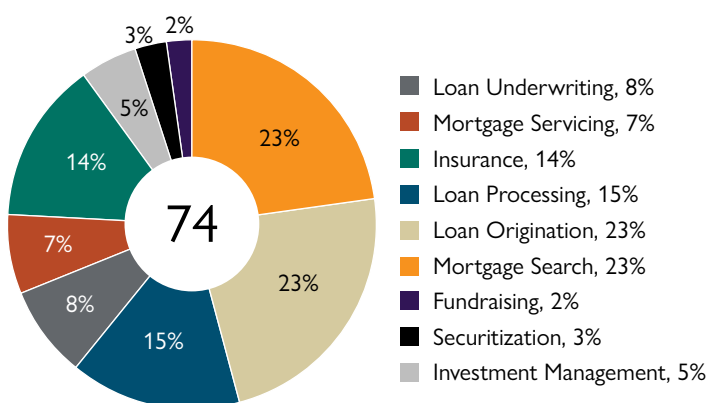
- **Improved Client Experience:** FinTechs can enable customer efficiencies through faster processing times and effective assessments of borrower risk. The traditional mortgage process is often cited by borrowers as slow and time-consuming, particularly by millennials who make up half of Canada's first-time home buyers. Technological innovations in the mortgage process (particularly loan processing and underwriting) lead to faster processing times which do not necessarily come at the cost of a higher risk profile or increased default rates.
- **Underserved Borrowers:** FinTech lenders that are able to provide services that do not require a physical presence are well suited to reach these underserved borrowers through digital solutions (e.g., online applications and credit decisions), thereby credit access for mortgages could be expanded in low-density areas. This can help support mortgages for rural and small-town properties, which are cited to be underserved by traditional lenders.⁵ FinTech lenders employ automation in borrower risk assessments, thereby reducing personal bias in credit approval decisions which often stem from traditional, face-to-face interactions. However, it is important to note that FinTech lenders do not completely remove potential personal bias, as automation methods could be designed to generate statistical discrimination.
- **Structural Market Changes:** FinTech can cause structural changes in the mortgage industry, which can have spillover effects on homeownership rates and cross-border competition. Faster processing times can enable FinTech lenders to adjust supply more easily than traditional lenders and can help underserved borrowers to refer to FinTech lenders as an alternative. As FinTech continues to drive cross-border competition in financial services, Canada is well positioned to see new entrants in its financial services industry in the near and medium-terms. If mortgage businesses in Canada fall behind their global counterparts in terms of innovation, international FinTechs may be well-positioned to capture market share.
- **Cost Savings and Operational Efficiencies:** FinTechs could be well suited to use innovative technologies, particularly AI to automatically compile and verify data in real time thus reducing the number of fraudulent applications and lowering the number of defaults. Furthermore, FinTechs can allow lenders and other stakeholders to be more competitive, including the reduction of administrative costs and providing faster and more accurate underwriting assessments; also giving the opportunity to mortgage brokers, for example, to better serve clients and improve capacity.

⁴ Norton Rose Fulbright Canada LLP. Canada: Open Banking in Canada –Current Regulatory Insights, 2019.

⁵ Michael Calhoun et al., Supporting Mortgage Lending in Rural Communities, 2018.

- **While unlikely, non-bank FinTech lenders have the potential to enable systemic risk if they capture a significant market share.** This risk might only materialize if non-bank FinTech lenders achieve similar scale as large financial institutions or FinTech lenders in other jurisdictions (e.g., Quicken Loans in the US). The market share of FinTech lenders in Canada is currently low (since this industry is still nascent and lag behind comparable jurisdictions), and as such, this is understood to be a potential long-term impact.
- **FinTech can reduce instances of fraud in mortgage applications but new fraud technologies can always emerge.** Fraud reduction impact is expected to be immediate for lenders that currently employ automated loan processing solutions. However, as the industry matures and with the advent of open banking new forms of sophisticated fraud techniques using technology may arise in light of electronic verification procedures.

Figure 6: Fintech firms with 100 employees or less by Mortgage Function



Source: Deloitte LLP

Note: FinTechs perform more than one function simultaneously and as such percentages will not match the total number of firms.

Potential Barriers

Several barriers were identified for FinTech firms looking to expand in Canada mostly related to regulatory dimensions, customer acceptance, nascent technology and lack of private investment.

- **Some small firms might find it hard to adhere to an entity-based regulation oversight, thus hindering their ability to scale and expand.** Canada's financial services regulatory framework corresponds to an entity-based approach in which FinTech firms have to comply with entity-specific statutes as opposed to a function-based approach in which firms follow regulatory requirements according to the functions they perform. This current approach contributes to Canada's high degree of regulatory fragmentation in the financial services sector. Small firms, which are the majority of mortgage FinTech firms (74 out of 98), may find it difficult to achieve compliance. However, in recognizing the importance of FinTechs, federal and provincial regulators in Canada have been implementing several initiatives to support innovation in the sector.
- **A dominant perception amongst consumers is that regulated banks represent financial and regulatory stability that can be trusted.** Some Canadian customers may still not be comfortable with a fully automated acquisition of a residential mortgage without speaking to a customer representative. Canadian consumers are likely to concentrate all financial activities within one institution and be hesitant or resistant towards changing banks, this tendency can limit consumer's willingness to bank through a third party.
- **Concerns over cybersecurity are limiting consumer acceptance of FinTech firms in the mortgage industry.** New models/products coming from FinTechs would need to adequately ensure protection of customer data. Although Fintechs don't have unique cybersecurity challenges high quality cybersecurity would be pivotal in gaining market confidence.

- **A strong need exists for an open banking framework in Canada.** Despite its potential benefits in promoting innovation in the financial services industry, open banking capabilities remain limited. It is relevant to find a mid-point between the desire to ensure consumer data privacy and enabling the exchange of consumer and banking information to create innovative products and services. Open banking has the plausibility of facilitating the widespread adoption of mortgage-related FinTechs, especially in the Canadian context where incumbent banks play a large role in the financial services industry. Of note is the Department of Finance on-going consultation paper on the merits of open banking to learn more about the views of Canadians⁶.
- **Relative to other jurisdictions, the Canadian start-up funding ecosystem seems insufficient, limiting the ability of FinTechs to access early stage investments and be well-capitalized to meet their needs;** these firms often are left behind their US and UK counterparts as Canadian investors are less likely to put forward competitive sums of money. Businesses with no Canadian investors received 2.7 times as much money as those with Canadian investors⁷.

MOVING FORWARD

FinTechs offer a number of opportunities and risks to the Canadian mortgage market that should be further explored by policy makers and lenders to enhance the supply of housing and seek innovative options to house Canadians; this without jeopardizing the stability of our financial system. The FinTech sector in Canada is still nascent but growing rapidly; we expect open banking to further the growth of this sector in the near term. It is therefore important to keep fostering collaborative efforts between the public and private sectors to innovate and address potential concerns/issues in terms of data privacy, cybersecurity, and lack of private venture capital.

Given the fast pace of technological change, regulators may benefit from co-design and regular stakeholder engagement in the development of a functions-based regulatory framework to ensure FinTech firms are ready to face those potential new international entrants and respond to the potential market demand push on technological innovation likely coming from COVID19.

FURTHER READING

Full report – *Review of FinTech in Canada's Mortgage Industry* (https://eppdscrmssa01.blob.core.windows.net/cmhcprodcontainer/sf/project/archive/research_5/69673_rr.pdf)

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⁶ <https://www.canada.ca/en/departement-finance/news/2019/01/departement-of-finance-canada-launches-consultations-on-open-banking.html>

⁷ Narwhal Project, Canadian Venture Capital Sufficiency, 2019.

APPENDIX

Mortgage FinTechs in Canada

#	Name	Website
1	Aha Insurance	https://www.ahainsurance.ca/
2	Amber Financial Services	https://amberfinancial.com/
3	Artsyl Technologies	https://www.artsyltech.com/
4	Asapp	https://www.asappbanking.com/
5	Blink Mortgage	http://blinkmortgage.ca
6	Bluroot	http://www.bluroot.ca
7	Canadian Mortgage App	https://www.canadianmortgageapp.com
8	Capital Lending Centre	https://www.capitallendingcentre.com
9	Certn Holdings, Inc	http://www.certn.co
10	Clik.ai	https://clik.ai
11	Club Pret	http://clubpret.com/
12	CompareMyRates	https://www.CompareMyRates.ca
13	CreditXpert	http://www.creditxpert.com/
14	Data Nerds	http://datanerds.com
15	Delta 360	www.delta360.com
16	Do Your Own Mortgage.com	Unavailable
17	Doorr	https://doorr.com
18	Doxim	www.doxim.com
19	Fast Capital Loan	https://www.fastcapital.ca/
20	Finn.ai	finn.ai
21	Finneo	http://www.finneotech.com
22	Flinks.io	flinks.io
23	Fluttrbox	http://www.audatex.ca/solution/fluttrbox/
24	Flybits	www.flybits.com
25	Foxquilt	http://www.foxquilt.com/
26	Fraction	https://fractionrealestate.co/
27	Fundever	https://www.fundever.com
28	Giraffe Financial Inc.	http://www.giraffespot.com
29	Gnowise	https://gnowise.com/
30	Go Insurance	http://www.goinsurance.ca/
31	Homebound	http://homebound.io
32	Insurance Hero	http://insurancehero.ca/
33	Insurance Jack	http://www.insurancejack.com
34	InsurEye	http://insureye.com/
35	Insurpia	https://www.insurpia.com/
36	Intellimortgage	https://www.intellimortgage.com

#	Name	Website
37	Kanetix	www.kanetix.ca
38	Lendesk Technologies ULC	lendesk.com
39	LowestRates.ca	https://www.lowestrates.ca
40	Manzil	http://www.manzil.ca
41	Mogo Inc.	https://www.mogo.ca/
42	My Insurance Broker	https://www.myinsurancebroker.com/
43	Nesto	https://www.nesto.ca/
44	NestReady	https://www.nestready.ai/
45	Netsurance	https://www.netsurance.ca
46	Newton	http://newton.ca/
47	NexusCrowd	http://www.nexuscrowd.com/
48	Nuera Insurance	http://www.nuerainsurance.ca
49	Pitchpoint Solutions Inc.	www.pitchpointsolutions.com
50	Rate Supermarket	www.ratesupermarket.ca
51	Ratebroker Financial	https://ratebroker.ca
52	RateHub.ca	http://www.ratehub.ca
53	Ratelab	https://www.ratelab.ca/
54	Rates.ca	http://www.rates.ca
55	RateShop Inc.	http://www.rateshop.ca
56	Real Matters	http://www.realmatters.com
57	REITIUM	https://reitium.com/
58	Roostify	www.roostify.com
59	SaltEdge	https://www.saltedge.com
60	Savvy	https://savvy.ai/
61	Senso.ai	https://www.senso.ai/
62	Shop Your Own Mortgage	https://www.syomortgage.com
63	Smarter Loans	https://smarter.loans/
64	Sonnet	http://www.sonnet.ca
65	Sqirl	http://sqirl.ca/
66	Square One Insurance	https://www.squareoneinsurance.ca
67	SurexDirect	https://www.surex.com/
68	The Mortgage Office	https://www.themortgageoffice.com/
69	Homewise	https://thinkhomewise.com/
70	Exagens	http://www.exagens.com/
71	MCAP Service Corporation	http://www.mcap.com
72	Securefact Transaction Services, Inc.	http://www.securefact.com
73	Blanc Labs Inc.	http://blanclabs.com
74	Filogix Limited Partnership	http://www.filogix.com
75	Portfolio Plus	https://www.portfolioplus.com/

#	Name	Website
76	Atsource Solutions Inc.	http://www.atsourceinc.ca
77	Xpertdoc Technologies Inc.	http://www.xpertdoc.com
78	FNF Canada	https://www.fnf.ca/
79	Homeshares	https://www.homesharecanada.org/
80	DocAssist	https://docassist.ca/
81	Bendigi Technologies Inc	https://bendigi.com/
82	RateSpy.com	http://www.ratespy.com/
83	LaCapitale	https://www.lacapitale.com/en
84	Ncino	http://ncino.com/
85	Judi.ai	https://judi.ai/
86	Loanerr	https://loanerr.ca/
87	HES Fintech	https://hesfintech.com/
88	Haystax Financial Inc.	http://www.haystax.ca/
89	Tango Financial	https://tangofinancial.ca/
90	Borrowell	https://www.borrowell.com/
91	Scarlett Network	https://www.scarlettnetwork.com/
92	Finmo	http://finmo.ca/
93	Gabbi.Ai	https://www.gabbi.ai
94	Pinch Financial	https://www.pinchfinancial.com/home
95	ScotiaBank - eHome [FinTech Product]	https://www.scotiabank.com/ca/en/personal/mortgages/scotiabank-ehome.html
96	TD Bank - Digital Mortgage Application [FinTech Product]	https://www.td.com/ca/en/personal-banking/products/mortgages/online-mortgage-application/
97	Meridian - Motusbank [FinTech Product]	https://www.motusbank.ca/Accounts/Mortgages
98	Alterna Bank - Digital Mortgage Engine [FinTech Product]	https://alternabank1.secure.force.com/mortgages/

Foreign Mortgage FinTech Entrants

#	Name	Website
1	Accurate Group	http://accurategroup.com
2	AmeriSave Mortgage Corporation	http://www.amerisave.com
3	Better.com	https://better.com/
4	Capacity	https://capacity.com
5	Clear Capital	http://www.clearcapital.com
6	Ellie Mae	http://www.elliemae.com/
7	Mphasis Digital Risk	https://digitalrisk.mphasis.com/
8	DocMagic	https://www.docmagic.com
9	Eave	https://helloeave.com
10	Ephesoft	https://www.ephesoft.com
11	First American Mortgage Solutions	http://www.firstam.com/mortgagesolutions
12	Guaranteed Rate	https://www.rate.com/
13	Incenter	http://www.incenterms.com
14	LendingHome	https://www.lendinghome.com/
15	LoanDepot	http://www.Loandepot.com
16	LoanLogics	http://Loanlogics.com
17	LoanSnap	https://www.goLoansnap.com/
18	MAX Exchange	http://www.maxex.com/
19	Morty	https://www.himorty.com
20	Mr. Cooper Group Inc.	https://mrcoopergroup.com/
21	Neat Capital	http://www.NeatCapital.com
22	Nomis Solutions	http://www.nomissolutions.com
23	Optimal Blue	http://optimalblue.com
24	PrimeLending	https://www.primelending.com/
25	Quicken Loans	http://www.quickenLoans.com/
26	RateZip	http://www.ratezip.com
27	Sagent Lending Technologies	https://sagentlending.com/
28	SimpleNexus	https://simplenexus.com/
29	SoFi	http://www.sofi.com
30	Solidifi	http://www.solidifi.com/
31	Spruce Holdings	https://www.spruce.co/
32	TechEssential	https://www.tech-essential.com
33	Lenda	https://www.lenda.com/
34	Blend	www.blend.com
35	Cloudvira	https://www.cloudvira.com/
36	Maxwell Financial Labs	http://himaxwell.com
37	MortgageHippo	https://www.mortgagehippo.com
38	LendSnap	https://internationalfintech.com/Company/lendsnap/

#	Name	Website
39	Credit Sesame	https://www.creditsesame.com/
40	Mortgage Builder	http://www.mortgagebuilder.com/
41	Calyx Software	https://www.calyxsoftware.com/
42	Simplifile	http://www.simplifile.com
43	Black Knight Financial Services	http://BlackKnightInc.com
44	eOriginal	https://www.eoriginal.com/
45	Preclose	http://www.preclosego.com
46	Floify	https://floify.com
47	LendingPad	http://www.lendingpad.com
48	RealKey	https://www.RealKey.com
49	Movement Mortgage	http://movementmortgage.com/
50	CoreLogic	http://www.corelogic.com/
51	Acre	https://www.acresoftware.com
52	Habito	https://www.habito.com
53	LANDBAY	http://landbay.co.uk
54	M:QUBE	https://www.mqube.com/
55	Mojo Mortgages	https://www.mojomortgages.com
56	MortgageGym	http://www.mortgagegym.com/
57	Smarter365	https://www.smarter365.com/
58	Trussle	http://www.trussle.com/
59	Wayhome	https://wayhome.co.uk
60	LendInvest	https://www.lendinvest.com/
61	Vizolution	http://www.vizolution.co.uk/
62	RateSetter	http://www.ratesetter.com/
63	Assetz Capital	http://www.assetzcapital.co.uk/
64	Molo Finance	https://molofinance.com/
65	Lendi	www.lendi.com.au/
66	TicToc Home Loans	https://www.tictochohomeLoans.com/
67	uno	https://unohomeLoans.com.au/
68	Loan Dolphin	https://loandolphin.com.au/
69	Athena Home Loans	https://www.athena.com.au/
70	Australian Mortgage	https://australianmortgage.com/
71	HashChing	https://www.hashching.com.au
72	Basiq	https://basiq.io/



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Figure 2: Distribution of FinTech Firms by Mortgage Function

No. of FinTech Firms	98	
Mortgage Function	No. of Firms Performing Function	% of Total
Mortgage search	35	17%
Loan origination	45	22%
Loan processing	34	17%
Loan underwriting	25	12%
Mortgage servicing	19	9%
Insurance	28	14%
Investment management	8	4%
Securitization	6	3%
Fundraising	4	2%

Source: Deloitte LLP

Note: FinTechs perform more than one function simultaneously and as such percentages will not match the total number of firms.

Figure 3: Distribution of FinTech Firms by Mortgage Function, United States

No. of FinTech Firms Meeting Criteria	50	
Mortgage Function	No. of Firms Performing Function	% of Total
Mortgage Search	3	2%
Loan Origination	29	20%
Loan Processing	40	28%
Loan Underwriting	28	20%
Insurance	7	5%
Mortgage Servicing	17	12%
Investment Management	10	7%
Securitization	9	6%
Fundraising	0	0%

Source: Deloitte LLP

Note: FinTechs perform more than one function simultaneously and as such percentages will not match the total number of firms.

Figure 4: Distribution of FinTech Firms by Mortgage Function, United Kingdom

No. of FinTech Firms Meeting Criteria	14	
Mortgage Function	No. of Firms Performing Function	% of Total
Mortgage Search	3	11%
Loan Origination	9	33%
Loan Processing	5	19%
Loan Underwriting	3	11%
Insurance	0	0%
Mortgage Servicing	1	4%
Investment Management	1	4%
Securitization	1	4%
Fundraising	4	15%

Source: Deloitte LLP

Note: FinTechs perform more than one function simultaneously and as such percentages will not match the total number of firms.

Figure 5: Distribution of FinTech Firms by Mortgage Function, Australia

No. of FinTech Firms Meeting Criteria	8	
Mortgage Function	No. of Firms Performing Function	% of Total
Mortgage Search	4	19%
Loan Origination	6	29%
Loan Processing	4	19%
Loan Underwriting	4	19%
Insurance	0	0%
Mortgage Servicing	1	5%
Investment Management	1	5%
Securitization	1	5%
Fundraising	0	0%

Source: Deloitte LLP

Note: FinTechs perform more than one function simultaneously and as such percentages will not match the total number of firms.

Figure 6: Distribution of FinTech Firms by Mortgage Functions (firms with 100 employees or less)

No. of FinTech Firms	74	
Mortgage Function	No. of Firms Performing Function	% of Total
Mortgage search	32	23%
Loan origination	32	23%
Loan processing	21	15%
Loan underwriting	11	8%
Mortgage servicing	10	7%
Insurance	20	14%
Investment management	7	5%
Securitization	4	3%
Fundraising	3	2%

Source: Deloitte LLP

Note: FinTechs perform more than one function simultaneously and as such percentages will not match the total number of firms.