

## Twitter Thread by Chris Randone



**Chris Randone**

@ChrisRandone



**Many bearish sentiments across the mortgage sector because they believe companies won't succeed as much when rate finally go back up (3 maybe 4 years from now). Which makes sense except for \$GHIV and here's why. In 2016 Brexit came & rates went down which lead to huge success...**

in mortgages. Business was great for many companies but then in '17 and '18, rates went up. What happened you might ask? A lot of people got compressed, margins got compressed, rates went down, & people struggled in the mortgage market...

Well UWM ( \$GHIV ) compound annual growth rate, from '16 to '18, was 28%. Companies that focused on refi struggled, so obviously a very successful company like Rocket or Quicken, they went down 14% in compound annual growth rate in those years...

\$GHIV actually grew, and so did their profits, so the opportunity to continue to grow in all cycles is a big differentiator for UWM, and the broker channel versus a lot of our competitors. When rates rise, it's actually even better for \$GHIV (UWM)..

If rates stay low, great UWM will continue to crush but when the rates rise, they will continue to steal even more market share because of how they operate in the mortgage sector. People also talk about the speed in closing a loan & that other competitors are faster...

I hate to inform, but they're wrong. The average industry to get a loan closed from application to close is 47 days, at \$GHIV (UWM) it's 17 days. MUCH FASTER. They also own 35% market share and project to have 40-45% within next couple years..

Many might wonder, what's a big difference in different with competitors like Rocket & Quick compared to \$GHIV ? UWM is a much bigger purchase shop & very big in the purchase market where they can dominate the growth compared to refinance.

Another thing to consider is the amount of marketing that is yet to come for UWM and their overall marketing presence in the marketplace. You see Rocket everywhere, they know who Rocket is, well now you have the #1 wholesaler coming into play and the 2nd largest firm...

Tapping in to become more known aside from the substantial growth they've already. Not to mention, as we know, \$GHIV (UWM) will be providing a annual dividend to their shareholders where companies like Rocket do not offer that..

Another key difference is when it comes to growth from an interesting perspective. Rocket focuses a ton on retaining clients which is great but UWM has a different mindset and approach. \$GHIV focuses on helping the brokers grow..

UWM want them to retain their clients, even if it doesn't come back to UWM & that's become a really big channel conflict. If a broker has to originate, or the way they make their money is getting loans in their community, and then they have to compete with Rocket up front..

then they are going to send it to Rocket and Rocket is going to call the client after. That's not great. So, by Rocket being so great at what they do, to their credit, it actually hurts the broker channel, and brokers don't love that. You also grow big partnerships w the brokers

Rocket is great at what they do & I was about of investing in Rocket during it's big run but sometimes it's who's in the rearview mirror that you need to worry about & \$GHIV is doing everything right when it comes to differentiating themselves in their industry. Have a good day.

You can find all of this in multiple UWM presentations on SEC filings and people just FYI