



MISELY

IMPACT

REPORT

2023-2024

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# INTRODUCTION

## THE FIGHT FOR MARGIN EXPANSION

"The prevailing notion of insanity—defined as 'doing the same thing over and over again and expecting a different result'—is at the forefront of the challenges our industry faces. If left unchanged, it will continue to diminish per-loan profitability and commissions."

Our objective with this report is straightforward:  
Assist you in transforming margin compression into margin expansion.

Here's what you can anticipate in this impact report:

- A narrative on how our story, mission, and purpose are positioned to address the industry challenges.
- Insights on industry issues drawn from the perspectives of mortgage and real estate professionals.
- Recognition of how the emerging generation of buyers will exacerbate these challenges.
- Similarities between decisions made by Blockbuster video and mortgage industry origination practices.
- The expected results for adopting our margin expansion strategy.



# OUR STORY SO FAR

## BORN TO AFFECT CHANGE

The concept of Misely was conceived on an Excel spreadsheet in the late 90s by our Founder, Dave Boswell. Originally designed to provide reactive solutions to challenging client inquiries, such as calculating interest savings from additional monthly payments towards the principal, Dave's vision to offer transparent, real-world financial guidance has evolved into the foundation of a proactive approach to financial wellness, poised to affect meaningful change.

Today, Misely-trained Mortgage Planners proactively pose modern-day questions aimed at guiding clients towards more informed financial decisions. Numerous scenarios exist, illustrating the financial impact of choices such as paying cash versus financing a portion and investing liquidity elsewhere, or opting for a lower down payment to leverage higher returns from alternative investments, despite potential PMI costs. Moreover, here are two Misely simulation examples pertinent to the current inventory challenge:

- Advising to sell a home with a historically low rate to downsize because it could foster greater wealth accumulation.
- Advising to sell a home with a historically low rate to pay off higher-interest debt, enabling the purchase of a larger new home at a comparable monthly cost.

## MISSION AND PURPOSE

While advocating for the continued importance and relevance of the mortgage profession, our mission is to empower mortgage professionals with the differentiated value needed to accelerate client trust and win their loyalty. At the core however, helping every home buyer and home owner select a mortgage that aligns with funding large Life Event expenses and building long-term financial wealth is our Purpose.

## OUR FREE GIFT

We are so passionate about our mission and purpose that we're offering the Base model of Misely for free. This empowers lenders to seamlessly transition originators from traditional PDF worksheets to a swift mobile interface, enhancing their ability to win business faster on the go!

# 10X

Users report that Misely is up to 10x faster than PDF fee sheets.

# 2X

Users report that they are two times more likely to win in competitive situations.

# 40

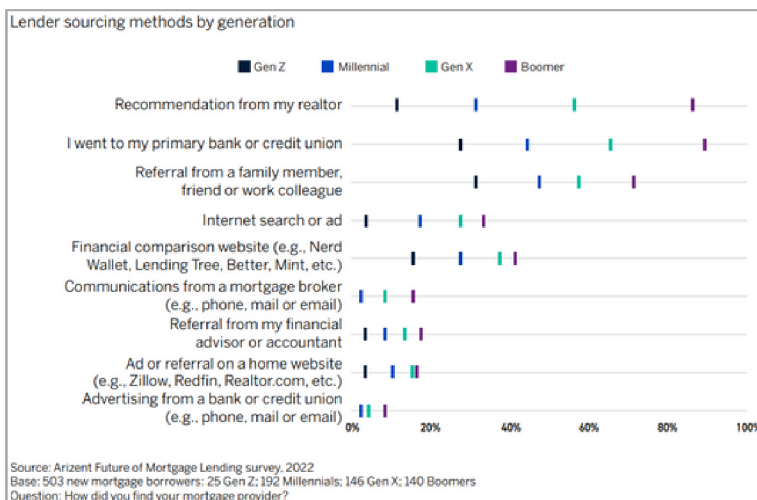
Users report they are 40 bps more profitable when using the power of Misely.

Building upon the insights gleaned from our user results, our industry research is anchored in the emerging trends of the new generation buyer. While the Gen X and Boomer cohorts present ongoing opportunities, the law of diminishing returns is starting to take effect. Conversely, the ascent of the Millennial and Gen Z buyer is underway and poised to surpass previous generations in scale. A profound comprehension of this evolving demographic and a readiness to embrace digital expectations and transparency demands are essential for a flourishing mortgage business.

# THE NEW GENERATION BUYER

In the arizent Future of Mortgage Lending 2022 research study titled “Mortgage industry changes will be driven by new borrower expectations,” there are some key points to highlight, as follows:

- There is a potential growing disconnect between the expectations of consumers, especially younger ones, and what mortgage lenders think they need to offer.
- Younger borrowers, in general, would like more transparency, better communication and greater access to technology when dealing with lenders, beyond just the initial application.
- Younger consumers approach financial transactions differently than their parents did, and have different, perhaps even higher, standards when it comes to service and delivery. Automation and convenience are paramount, but they still appreciate the opportunity to have a lender they can call on when needed. Companies need to be able to provide multiple service options to balance the in-person and digital experience.
- As depicted by the chart below, the lender sourcing methods are shifting. The gap between being referred by a realtor and other sources are narrowing, which suggests that relying heavily on realtor referrals is becoming a shrinking business model. Layer on the potential difficulties that buyer agents could experience securing clients to refer, especially given the impending commission changes, and you’ve got a perfect storm bearing down on future growth expectations.



81%

Millennial and Generation Z research online before buying.

58%

Boomers and Gen X research online before buying.

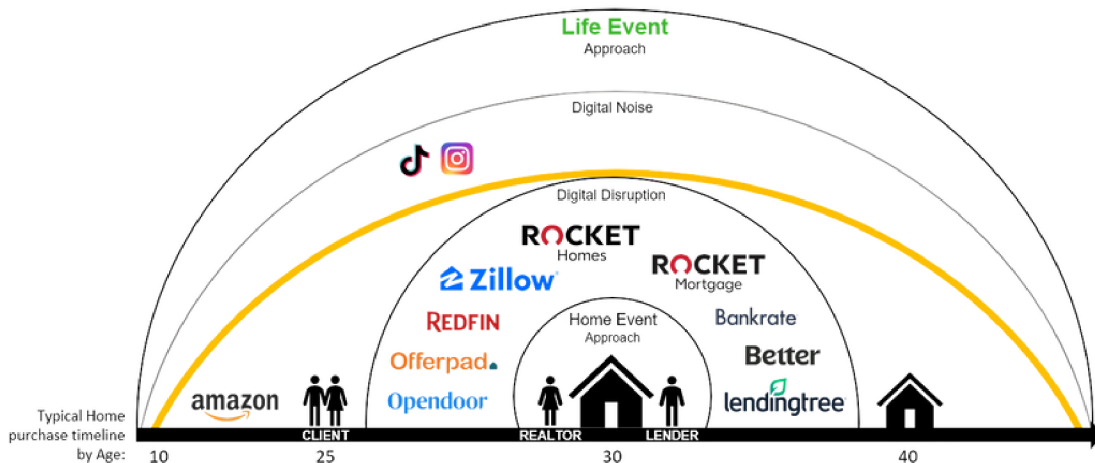
88%

Millennial and Generation Z desire financial education.

# THE RACE TO CLIENT TRUST AND LOYALTY

Based on our own observations and interviews with mortgage and real estate professionals over the past year, it's evident that the mortgage industry is experiencing a heightened concern toward digital disruption. Illustrated in the chart below, the traditional route to homeownership (the Home Event), which typically involves seeking guidance from a realtor who then refers a preferred lender for a pre-approval, is now surrounded by a plethora of digital disruptive real estate and mortgage resources. Although the human element remains significant in these processes, it's essential to recognize that the human touch also exists among most digital disrupters. Adding the potential entry of behemoths like Amazon and the already growing origination capabilities of State Farm insurance through a partnership with Rocket Mortgage, a shift to a differentiated origination strategy is more important than ever before. As a prominent and respected real estate professional put it so eloquently in our discussion about the industry, "while the competitors are still running in the same direction, you have to be of the mindset to run the other way."

Beyond the digital disruption lies a siren of digital noise that will only grow louder in the years ahead. What makes this combination potentially challenging is the substantial Millennial and Generation Z population yet to enter or re-enter the housing market. Given that a majority of this demographic conducts initial research online, success in origination hinges on a strategy to engage with them where they are, or even better, before they start scrolling. Deploying a Life Event relationship, powered by Misely, is proving to be a relevant approach to get beyond the digital disruption and noise.



Age Group	Population (MM)
Gen Z	48.5 MM
Millennials	36.7 MM
Millennials/Gen Z	85.2 MM
Millennials/Gen Z	57.5 MM
Gen X	68.3 MM

142.7

Millions of Millennial and Generation Z buyers.

19K

Potential State Farm agents that can originate a Rocket Mortgage.

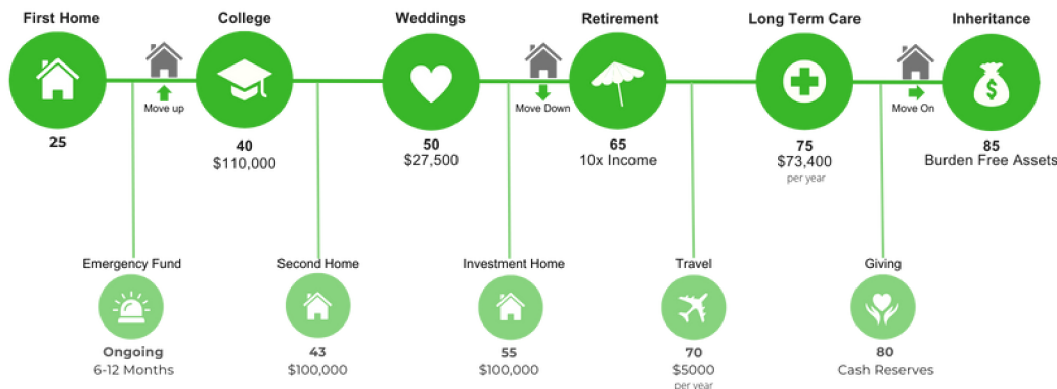
2

Rocket Mortgage US purchase volume ranking.

# THE RISE OF THE LIFE EVENT MORTGAGE PLANNER

Considering that for most people, the home represents their largest asset and their mortgage the biggest liability, it's surprising that the majority of realtors and lenders don't proactively refer clients to financial planners. With only about a quarter of adults having a proper financial plan and staggering student debt in the trillions, we believe it's fair to suggest that the mortgage and real estate industries have played a significant role in this financial landscape. Ironically, over half of Millennials and Gen Z prospective buyers are burdened with student debt, making it challenging for them to qualify for a mortgage. If we could turn back time, introducing the Life Event consultation approach to the industry could have made a significant difference. Not only does this approach build trust and loyalty faster than the traditional model, but it also actively guides clients toward financial security and wealth. As a result, it fosters improved organic referrals from satisfied clients and cultivates stronger partnerships with financial planners, leading to a greater share of leads in the long run.

Simply put, a Life Event Mortgage Planner challenges the client to consider other future life event expenses before selecting a mortgage. Consider this: let's say you receive a call from a prospective client who says, "I want to put 20% down to avoid paying mortgage insurance." Like a fast food restaurant, The traditional Loan Officer would take the order. The Life Event Mortgage Planner, using the Life Event Timeline illustrated below, would identify that the prospective client has children preparing for college and are currently under funded for college expenses. While the traditional Loan Officer contributes to the student debt problem, the Life Event Mortgage Planner helps reduce the need for student loans.



Source: Openai, Average Age and Costs Based on Varying Dates.

98%

Realtors who answered NO to the question: Do you have a referral relationship with a Financial Planner?

25%

Adult population that actively work with a Financial Planner.

87%

Lenders who answered NO to the question: Do you proactively refer clients to a Financial Planner?

# BEWARE OF THE BLOCKBUSTER EFFECT

In the archives of business history, few tales are as cautionary as the downfall of Blockbuster Video. Once a goliath in the entertainment industry, Blockbuster failed to adapt to changing consumer preferences and technological advancements, ultimately leading to its demise. And now, the mortgage industry stands at a similar crossroads, facing the looming threat of obsolescence if it fails to evolve.

Blockbuster's downfall was not a sudden event but rather a slow decline brought about by a refusal to embrace innovation. As streaming services emerged and digital downloads gained popularity, Blockbuster clung stubbornly to its outdated business model, centered around physical rental stores and late fees. By the time the company attempted to pivot, it was too late. Customers had moved on, and Blockbuster became little more than a nostalgic relic.

Similarly, the mortgage industry is facing disruptive forces that demand adaptation. The traditional model, focused on offering loans and providing good service is increasingly obsolete in today's market. Clients now expect more than just a loan; they crave comprehensive loan option education and assistance in navigating broader financial wellness.

A mortgage isn't just a financial transaction; it represents a pivotal milestone in one's financial journey. However, many mortgage originators overlook its significance, treating it as a routine transaction. By adopting a forward-thinking approach, mortgage professionals can better serve their clients, empowering them to make informed decisions that lay a solid foundation for their financial future.

The mortgage industry must pivot towards a client-centric model focused on empowering clients for long-term financial well-being. This means guiding them to choose mortgage products that fit their broader financial objectives, whether it's funding education, retirement, or wealth building.

As the human touch remains essential, individuals adept at fostering personal connections and hand-holding clients through the mortgage process will likely thrive amidst this transition, making them prime candidates to dominate traditional business. Furthermore, originators who integrate technology to elevate client experiences and facilitate financial success beyond mortgages will emerge as frontrunners in securing loyalty. Those that embrace both will win the race.

98%

Realtors who answered NO to the question: Do you have a referral relationship with a Financial Planner?

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Adult population that actively work with a Financial Planner.

87%

Lenders who answered NO to the question: Do you proactively refer clients to a Financial Planner?



60

Average minutes saved  
per client.

\$17,000

Yearly expected dollars earned per 10MM closed. Based on  
converting saved time to additional lead generation activities.

MISELY  
BASE  
FREE



VS



# 50

Percent increase in lead conversion.

# \$42,500

MISELY  
PRO

Yearly expected dollars earned per 10MM closed. Based on converting an additional 5MM in business otherwise lost and 85bp profitability.



9:45 AM AA app.misely.com XYZ Mortgage

Payment Budget	Cash Budget
\$3,000	\$100,000

Loan Comparison

Town House	Option	Monthly Payment	Cash to Close
\$425,000	20% Down	\$ 2,373 -637	\$ 94,062 -5,428
	★ 10% Down	\$ 2,704 -296	\$ 92,171 -47,859
	5% Down	\$ 2,863 -137	\$ 93,976 -69,024

10% Down

First Loan

Amount	\$ 362,500
Loan to Value	90.00%
Program	Conventional
Type	30 Year Fixed
Rate	5.500%
APR	5.773%

VS

XYZ Mortgage

Estimated Disbursed Fee Worksheet

Item	Amount
Origination Fee	\$1,000
Underwriting Fee	\$500
Processing Fee	\$300
Application Fee	\$200
Document Preparation	\$150
Recording Fee	\$100
Notary Fee	\$50
Escrow Fee	\$50
Survey Fee	\$0
Inspection Fee	\$0
Appraisal Fee	\$0
Broker Fee	\$0
Other Fees	\$0
<b>Total Disbursed Fees</b>	<b>\$2,000</b>

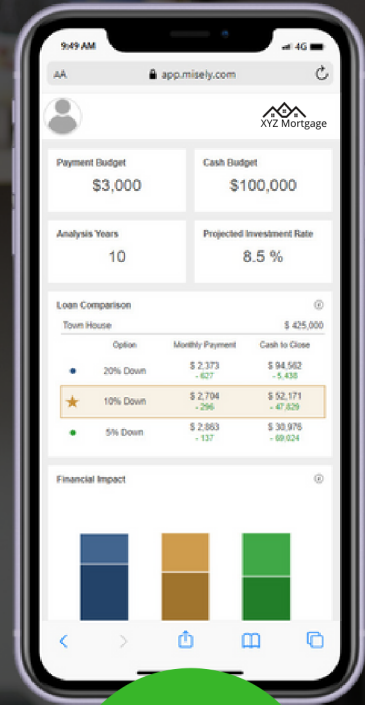
# 40

Per loan BPS increase in profitability.

# \$40,000

Yearly expected dollar profitability per 10MM closed. Based on an additional 40 BPS of profitability.

**MISELY  
PRO**



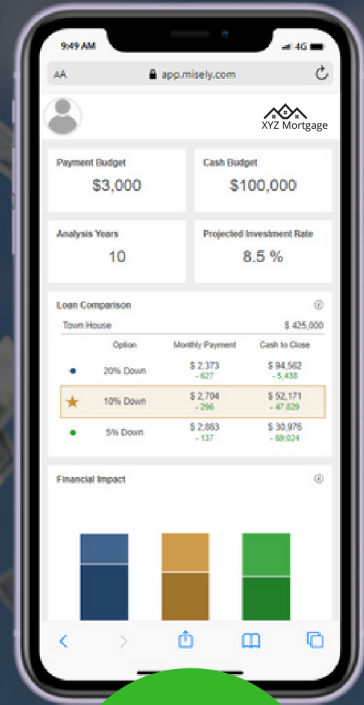
# 50

Percent Increase in new business.

# \$42,500

Yearly dollars earned per 10MM closed. Based on expected lead generation from Financial Planners through the Life Event Link Strategy.

**MISELY  
PRO**



# Main Street Home Loans is Revolutionizing Mortgage Consultations with Misely

## Company at a Glance

Main Street Home Loans, a multi-state residential mortgage lender operating in 42 states, is committed to providing exemplary service to consumers while ensuring honesty, integrity, and ethics remain at the forefront. With a mission to personalize mortgage solutions based on individual financial goals, Main Street Home Loans fosters a consultative approach through its dedicated team of Home Loan Consultants.



**MAIN STREET  
HOME LOANS**

FROM MAIN STREET TO YOUR STREET



Misely has been a fast and powerful tool for our consultants, setting us apart from the competition. More importantly, it's a game changer when it comes to our mission to ensure that the mortgage fits within our clients' short- and long-term financial goals.

— **Mike Farrell**,  
Executive Vice President

## CHALLENGES



In the midst of evolving consumer expectations and digital disruption within the mortgage industry, Main Street Home Loans recognized the need to adapt to changing demographics and technological advancements. The emergence of Millennial and Gen Z buyers, coupled with shifting preferences for transparency and technology, posed challenges to traditional mortgage lending practices.

## SOLUTIONS



Main Street Home Loans partnered with Misely, an innovative platform designed to streamline the mortgage consultation process. Misely revolutionizes mortgage consulting by offering a sophisticated analysis engine that shifts the conversation from rate and cost to practical advice aligned with clients' long-term financial objectives. With its mobile-friendly design and emphasis on client empowerment, Misely facilitates faster, more personalized mortgage solutions.

## BENEFITS



### Benefits One

1

Misely is up to 10x faster than traditional PDF fee worksheets, resulting in an increase in productivity toward lead generation activities.

### Benefits Two

2

Mortgage Consultants are now two times more likely to succeed in competitive situations and achieve, on average, 40 basis points higher profitability when utilizing Misely.

### Benefits Three

3

Client and business partner testimonials highlight the efficiency and transparency of Misely, leading to increased client satisfaction, loyalty, and successful conversions.

# ABOUT



Misely is an intuitive platform that assists originators in delivering faster and more polished mortgage advice. Its mobile-friendly design makes it easy to use and accessible from anywhere. Most importantly, Misely fosters client trust and loyalty by emphasizing Life Event planning and wealth-building strategies over the cost of the mortgage.

In today's rapidly evolving digital mortgage landscape, differentiation, speed, and client experience are crucial components for margin stability. When it comes to preparing and presenting mortgage options, Misely is optimally positioned to deliver. Here's why:

## Differentiation:

The name Misely is derived from "Mortgage Wisely." As a Mortgage Planner, assisting clients in making a wise mortgage decision involves more than just considering the loan cost and lowest rate. Although these factors play a significant role in the decision, choosing the appropriate mortgage primarily depends on the client's expected Life Event expenses and long-term financial goals. At the core of Misely is a sophisticated analysis engine that shifts the conversation from rate and cost to practical advice, making it an invaluable asset for Mortgage Planners.

## Speed:

In today's mobile-driven environment, clients expect prompt service. If a Mortgage Planner is out of the office, it could take hours before they can return to provide the necessary information through old school methods. Misely substantially minimizes the time it takes to present mortgage options to the client, ensuring a swift and efficient process that wins business in no time!

## Client Expectations:

Misely was developed by a Mortgage Planner, keeping all types of clients in mind - not just a specific group. Mortgage Planners have the flexibility to select the level of simplicity or complexity of the output based on the clients' requirements and consumption patterns. Moreover, the responsive web design features a cutting-edge millennial-forward navigation and display, and offers user-friendly visuals that can be accessed and viewed effortlessly on any device, from anywhere and at any time.

**ACCELERATE TRUST.**  
**WIN LOYALTY.**  
**POWER GROWTH.**

**SCHEDULE DEMO**

