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Rocket Cos., Inc. (RKT)

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CORPORATE PARTICIPANTS

Varun Krishna
Chief Executive Officer & Director, Rocket Cos., Inc.

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Christopher Dieck
Analyst, JPMorgan

MANAGEMENT DISCUSSION SECTION

Christopher Dieck
Analyst, JPMorgan

All right. Well, thanks everyone for coming. I want to introduce myself first. I'm Chris Dieck from JPMorgan. Thanks for coming. More importantly, I wanted to introduce Varun Krishna from Rocket Companies. Varun has been at Rocket for a little less than two years.

Varun Krishna
Chief Executive Officer & Director, Rocket Cos., Inc.

Yeah.

Christopher Dieck
Analyst, JPMorgan

And he's been incredibly busy. Close to $500 million of investment in tech and AI. Two acquisitions announced in the last couple of months, a rebranding of the company. It's been an incredible two years. We could talk about all of that. But maybe first to start, let's talk a little bit about your background, where you came from. You're a tech guy.

Varun Krishna
Chief Executive Officer & Director, Rocket Cos., Inc.

Yeah.

Christopher Dieck
Analyst, JPMorgan

Started at Intuit, Microsoft and PayPal. Talk to us a little bit about your background, your leadership style, what you're bringing to Rocket?

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Varun Krishna

Chief Executive Officer & Director, Rocket Cos., Inc.

Yeah. I mean, I am still very much a student. I think I have had the privilege of working in different industries for companies large and small. I did my undergrad in computer engineering, started out at Microsoft, spent about 10 years there, was a product guy, really because I didn't really cut it as an engineer.

I just was never going to be the best engineer, so I went to like the next most adjacent thing, left Microsoft and went to an early stage startup with big delusions of grandeur and thinking that I had it all figured out and then very quickly learned that I had to relearn everything.

And so startup experience was very valuable, it was a company called Betterworks, Inc. And then from there I was at Groupon. I led the consumer product team there, early-stage Groupon from the period where daily deals took off to the hyper growth, and then all the things that happened after.

I spent a few years at PayPal running the Consumer Product Organization, and then most recently Intuit where I just kind of grew up in the TurboTax and consumer world and ended up running the consumer division for the company.

I think along the way, I have just been lucky to work with a lot of really awesome leaders, and I think my leadership style is probably one that has been adopted by the philosophy of studying and learning and taking what you like from people that you learn from. And then also leaving the things that you don't like and building a leadership style that really is a package of learning from big companies and small companies.

And so very much a student, very much believe in people. I would say, I have a healthy appetite for risk, but I'm also very focused on products and services that can better the financial world. And so that's what led me to Rocket.

I'm fortunate to have inherited, I think, an organization and a company that has been, in my opinion, a sleeping giant for a long time. And that's exciting in many ways. I think our mission is sort of the true frontier of FinTech. It is the ultimate reason that FinTech products and apps exist for homeownership. And so to be able to contribute to that, to be able to work with an amazing team that wants to get after it and to be able to execute on big, bold swings, quickly, it's just been the opportunity of a lifetime.

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QUESTION AND ANSWER SECTION

Christopher Dieck
Analyst, JPMorgan

Q

Excellent. So last post was Intuit. What parallels do you between the tax prep industry, the housing industry and what do you bring from there?

Varun Krishna
Chief Executive Officer & Director, Rocket Cos., Inc.

A

Yeah, I think there's a lot that is actually very analogous. The concept between these products is they're very workflow-centric. I mean, you have a person that wants to get from point A to point B.

In order to get there, they have a physical characteristic or underwriting, they have data, they have commerce. And then there's an algorithm that sort of qualifies or underwrites them for an outcome. And like doing a tax return when you dissect it that way is not that different than the process of buying a home. It's just that one is more complicated.

One has a stronger people element, but it is a deterministic exchange of data through a workflow process. So, there's a lot that I think that translates. I also think there's a huge opportunity there for us to really leverage better automation, better personalization, to make things easier, faster and cheaper and there's a lot that we experimented with around TurboTax to bring it into the service-driven world with sort of an assisted layer that I think translates a lot to the transformation that's happening in the mortgage industry.

And so I think there's a lot just in terms of understanding how conversion funnels work and how engagement funnels work and what the approach is to optimize those.

And then ultimately, these businesses are also similar, they're highly regulated, they have a high compliance risk component. And so there are just sort of elements that involve being able to do business in 50 states and being able to offer products at scale, and being able to meet regulatory standards, having the cybersecurity requirements.

And so it takes a long time to build a durable advantage. And it's something I appreciated about Rocket is that, we've been around for 40 years and that's how you create sort of a mortgage giant, is that you invest and you invest and you invest and you take lots and lots of parts of the engine and you build that together.

Christopher Dieck
Analyst, JPMorgan

Q

Excellent. That's really helpful. You've spoken a lot about culture. Rocket has a tremendous culture. You have great leaders across the organization. How do you foster leadership and independence and culture at Rocket and continue to help the company grow?

Varun Krishna
Chief Executive Officer & Director, Rocket Cos., Inc.

A

Yeah, I think – I mean, I tend to feel that a very balanced approach is the best approach, which means that you have to elevate and build on the things that are working really well. But you can't be afraid to evolve.

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And in fact, sometimes that evolution looks more like a revolution. And so from a leadership perspective, the first thing I think is just realizing that the culture of Rocket is what makes it strong. I mean, it's something that has existed long before I got here. And the opportunity to kind of just continue to strengthen that culture was already there, and that exists with the leadership of the team.

But what you do by bringing in a handful of new leaders, and so I brought in approximately five to six new senior leaders to the organization, and then we elevated five to six leaders within the Rocket organization is that you create a really nice, balanced leadership team that brings a combination of fresh thinking, but fresh thinking that builds on the foundation that already exists.

And the key to that, to be honest, is really knowing people right and caring a lot about the psychological fit and caring a lot about the cultural alignment. Mortgage is a dogfight some days. You're in the trenches a lot. And I want to know that I have leaders that can handle that pressure. I want to know that I can call and text them. I want to know that they'll respond with a sense of urgency. And I want to know that they will be in the trenches with each other, that they will love each other, respect each other, work together.

And so, there's no substitute for experience when it comes to thinking about how to build a leadership team. I think it comes with judgment. It comes with trying things, it comes with failing and learning of how different companies operate.

And so I've learned from that and I wanted to create a balanced approach and we feel great about that. 20 months in, we've made a lot of changes. Our organizational engagement is super high. Folks see where we're going. They believe in the mission. They want to win together and we do a lot of regular, obviously outlet surveys and pulse surveys to gauge the engagement of the organization.

But the biggest point increases are in the things that are systemic to the future growth of a healthy company. It's that I want to work here. I'm a promoter of this company to other people and that I see myself as a big part of its future. And all of those things are, to me, just a sign that Rocket is very healthy and sort of ready for this next chapter.

Christopher Dieck
Analyst, JPMorgan

Q

So, when you first started, one of the quotes you have was, you were focused on both execution and innovation. Where are you on that journey in that spectrum? And what does the future look like for Rocket?

Varun Krishna
Chief Executive Officer & Director, Rocket Cos., Inc.

A

Yeah, I think we're – I would say we're not even close to started. I would say we're like the babiest of baby steps. But I'm so proud of the progress that we've made. I mean, if I were to look at just this March compared to the same time two years ago where we're helping serve 21% more clients, our turn times are down – are 14% better. And if you look at our production team members, they're serving an average of 50% more clients per team member.

And that's like I mean, that's just looking from where we are. So I think the future is like, significantly more accelerating toward achieving, I would say, like metric order of magnitude improvements in efficiency and personalization and just experience.

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I think that a lot of this is – today the concept of AI is very focused on better, faster, cheaper. And I think tomorrow there will be more of an evolution that's harder to describe where you're starting to see this with agentic stuff, but like where entire problems are thought of completely differently.

And it's not like, how do I optimize this problem? But it's like – like how do you approach it in a way that the problem itself doesn't even exist? And I think that that's what's really exciting is, on the innovation spectrum in housing when you think about the entire process of – and I'm sure we'll talk about M&A in a bit, but home search to working with a realtor to title, to financing, to closing, to servicing, to personal finance. There are so many places for that kind of transformation to happen. And so I feel that the pace of innovation will accelerate, which is why I think we're in the earliest of stages.

Christopher Dieck
Analyst, JPMorgan

Q

So, that's a great transition into what's next. What's the future of Rocket? Rocket has been described as both a mortgage company, a technology company. How do you balance those two identities? Where do you focus your time? And then we can get into maybe one of the biggest topics that you've talked about, which is AI?

Varun Krishna
Chief Executive Officer & Director, Rocket Cos., Inc.

A

Yeah. I get this question a lot, which is like, are you a mortgage company or are you a technology company? And I don't know, I've got a weird mind, but I like to dissect questions a little bit. But it's like the question to me is interesting because like when you think about a company, you think of a why, like what's your purpose?

Then you think about a what? Which is like, what are you trying to achieve in service to that purpose? And you think about a how, which is like your method. And so I would argue that all companies are technology companies or at least want to be.

And technology to me is sort of at the how end of the spectrum, right. The mortgage is more of a what, all right, and the mortgage is a solution to that problem, but it's only one part of the solution. And then the why is more around, I think, a bigger concept like homeownership, right. And like safe and sustainable homeownership for every human being on the planet.

And so we are a homeownership company is the way I would answer the question and not just mortgage, but we want to deliver and facilitate the entirety of the homeownership experience, not just for the client, but for the realtor, the mortgage broker and all of the important stakeholders in that ecosystem.

And we have always been a technology company, and so – and that, again, existed long before I got here. But we were the first to put the mortgage on the Internet. We were the first to make them digital. We were the first to make them mobile.

And so, thinking about technology, how you harness technology and the breakthroughs you can achieve, I think that is really more of our how. But, we are a homeownership company. That's how I would describe us.

Christopher Dieck
Analyst, JPMorgan

Q

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Excellent. There's been a lot of discussion around AI. You've invested quite a lot of capital into technology and AI, $500 million over the last couple of years. Where are you on that AI journey? How far do you think it goes? What's next as you think about the integration of AI into the homeownership process?

Varun Krishna
Chief Executive Officer & Director, Rocket Companies, Inc.

A

Yeah, I think, again, it's very difficult to place a timeline on a journey that you really feel like you're just at the precipice of. But I think we have been investing. I think the good news is, over the past several years, we've put about a $0.5 billion of investment in building infrastructure, building models, understanding just basically things like intent, being able to have good data, clean data, measurable data, building the metrics infrastructure.

And so a lot of that foundational piping I think is extremely beneficial to where we are in the journey. I think the thing that's interesting about this is that it's not – the thing that I would say is when you think about the next paradigm of technology, it gets away from concepts like apps.

And that's what we think is going to happen with AI is that, there are certain players and visions in the industry of concepts like an app becoming the epicenter of everything or a super app, if you will. An issue that I have with that is that I don't think that that paradigm is the AI paradigm.

I think the AI paradigm is more driven by services, it's more driven by notifications, it's more implicit in nature, it's more workflow-centric in nature. And today people use apps because they want to engage with things and for financial products and services or workflow products and services, engagement is the antithesis of the experience that you want to create.

Nobody wants to do their taxes. It is something that you have to do. It is a compliance problem. What you want is to be in a home, right. And everything else you have to do is the process by which you do that. And so, our view of AI is a different kind of an experience. Our end state is a digital experience, a service experience, a notification and workflow experience, a money movement experience, safe and secure, data exchange.

And how does that create something that is magical, right? And an app is just one small part of that. And to me it is a part of an integrated whole. So, I do think we're kind of at the early stages. I mean, the good news is we're just seeing tremendous benefits from applications.

And I could go on about use cases, but, we have low-code, no-code applications that our team members are building every single day. And some of these apps are just going viral. And to see that happen, you really start to become a believer in what the technology can do.

Christopher Dieck
Analyst, JPMorgan

Q

That's great. It would be, I think, helpful to unpack some of the specific apps that you have within Rocket, the Rocket Superstack, as you call it, Rocket Logic, Navigator

Varun Krishna
Chief Executive Officer & Director, Rocket Companies, Inc.

A

Yeah.

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Christopher Dieck
Analyst, JPMorgan

Q

How do you measure the effectiveness of these apps or AI programs? And what are the KPIs like? How should investors think about that?

Varun Krishna
Chief Executive Officer & Director, Rocket Cos., Inc.

A

Yeah. I mean, I think at the end of the day, the product is organized around a funnel. And so to answer the second part of the question first and then I'll give an example, there are core metrics like, how are you doing on traffic? How are you doing on mortgage attach? Are you driving conversion? What are your turn times? What are the efficiencies of how you're getting underwriting done faster? What do things like recapture look like? Contact reduction.

So, to me, those six or seven metrics in some ways are my executive dashboard for I look at the health of the success of the business. So that's how I would look at it. And then obviously there's things like, are you growing share profitably, which obviously are part of our Northstar metrics, as my partner in crime, my CFO over there likes to remind me and make sure that we stay focused on. So, that's kind of the metric side of it.

I think in terms of the progress, I'll just give you another example like I saw an app last week that is going viral inside of Rocket. It's an app that a banker wrote that he calls banker report card and we do about 100,000 calls a day. And each of those calls gets scored. And that's a manual review process. It requires a person.

We have a product called Navigator that is our low-code/no-code app development environment. And we have a product called Synopsis, which essentially is a semantic repository of every single call that we do, which is 65 million calls.

And what you can do is you can use Navigator to build an app using the Synopsis data and he built an app that basically creates a banker report card and it sends a real-time coaching feedback to the banker that says – and you can ask it all kinds of things.

Did I get the objection? Often enough, show me, for example, like what happened if a female banker is paired up with a male client in this particular region? Help me understand whether call time had an effect or analyze this call and tell me the four things that you would do differently or where the conversion dropped.

And so you get this report card and it's basically shipped to every banker in real time. And our coaching – the amount of time we spend on coaching has – we force multiplied our coaching by 10X.

So, when you have a banker force of 3,000 bankers, right, and you think about the amount of time that is spent on coaching to improve conversion, that sort of entire model has been turned over on its head. And that's just one example of a product that, by the way, was written without an engineer, which is, I think the true magic about it is like, engineering to me was always felt like modern day magic. And AI to me is sort of this evolution where anyone can manufacture anything with the right kind of prompt engineering. So, very exciting, I think the best is yet to come.

Christopher Dieck
Analyst, JPMorgan

Q

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Excellent. So, let's change our gears just a little bit. So, what does it take to lead in the homeownership industry today? How is AI helping? We'll get into M&A next. How have the acquisition or announced acquisitions of Redfin and Mr. Cooper aided in leading in homeownership? What does it take to be the leader?

Varun Krishna
Chief Executive Officer & Director, Rocket Companies, Inc.

A

I think it's difficult to say with precision that anyone has figured it out. I think the main thing is I would say that, largely speaking, everyone probably has some kind of a fuzzy vision of the end state that's pretty similar.

I think the nuance of it is what is your starting point? And so I think what it takes is being able to figure out how to leverage your starting point to the fullest advantage and to make that a durable advantage, on top of which you get to kind of build the rest of the vision. And so from our perspective, you know, we think about the concept of an integrated homeownership platform. And at a high level, that means that, the entire experience from searching a home, working with a realtor, going through title, financing, servicing, closing and all of the fee structures and the interactions associated with it are as simple as frictionless at the most, at the best value possible.

And so, you know, I think what it takes is having a good starting point and then just being relentlessly focused on improving the process bit by bit, inch by inch. And I also think it requires a bit of activation energy. I think it is very difficult to build a large mortgage origination company.

Just the activation energy is enormous. You have to create capital markets infrastructure, you have to have relationships with GSEs, you have to have compliance requirements across – it is a large task. It is not something that I think is easy to do for a smaller or earlier stage company. So, I think it's about the right starting point. It's about being very focused on process optimization and then betting big on AI and what you think that will ultimately allow you to build.

Christopher Dieck
Analyst, JPMorgan

Q

Excellent. So maybe let's move into M&A. You've been very busy, especially over the last number of months, announcements of Rocket and Redfin. How are you thinking about the integration of those businesses into Rocket? What do they bring to the homeownership experience and what do you think the end state is of those acquisitions alone?

Varun Krishna
Chief Executive Officer & Director, Rocket Companies, Inc.

A

Yeah, obviously we've spent quite a bit of time thinking about this and I'd start by sharing that just a lot of our strategy because I think this is really just – I would like to just take a chance to articulate our strategy and how they fit in. But this started a little bit with a realization of just what Rocket had already done. I mean, we'd experimented with the top of funnel space, we'd experimented with servicing and recapture, and there were a lot of learnings from the experiments that I think led to some aha moment.

The starting point for us is always the fact that homeownership today sucks. It is an awful, awful experience. It's expensive, it's complicated, it's manual, it's inefficient, and someone has got to build a better system. So, that was one aha moment.

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The second aha moment is that the entire industry is super adversarial, like there's not a lot of ecosystem shared relationships. I mean, you just sort of move and the consumer sort of moves from one part of the industry to the other and just kind of bounces around banging their head against the wall, more than once.

And that's like not okay because homeownership is like – it's like the American Dream. It's the one thing that's worth fighting for. It's the one thing that consumers want and need.

And so that was our starting point. And there's a few aha moments, and I would just very quickly say the first one is that the home search experience, the origination experience and the servicing experience are not as separate as people think.

There are three different industries and three different funnels, but a consumer flows through that as one funnel. And if you can connect that funnel, you can build a super funnel. And that was a big, big realization for us through experimentation.

The second thing was that this will make Rocket a lot stronger and it will make Rocket stronger for three reasons. It strengthens the business model and makes it balanced because you can make hay when the sun is shining or when it's raining because of the fact that you have a servicing business and you have a search business that both allow you to do recapture and purchase.

And so that's a great thing for any kind of rate environment. And then obviously as you see rate movement downward, you do what Rocket does best, right. And so creating that flywheel strengthens Rocket. We talked about data and AI, but in a world where you believe that more proprietary data, more signals on consumer intent lets you build a better product, better models, this makes a lot of sense.

And then the last thing, quite simply, as I said earlier, is just you can tell that I'm passionate about it is you just get to build a killer client experience. And that fundamentally excites me. And then I can go into more depth, but just at a high level, I mean, if you take Redfin and Rocket and you sort of put them together, that's 62 million monthly active users that come to your front doors, right.

That's over 10,000 agents strong that you get to interact with. When you connect that to the Rocket Mortgage funnel that connects to over 3,000 of the industry's best loan officers, over 10,000 wholesale brokers. And then you connect that to the servicing business in totality. That's one in six mortgages, that's 10 million clients that you're going to be engaging with every single month.

And so if we get that right, the number one real estate brokerage website, the number one originator, the number one servicer, you become a homeownership platform, right, where you are able to build something that's much more integrated, much more seamless.

And the best part is everybody wins, right, like this is an ecosystem where we want realtors to win. We want brokers to win, we want the client to win. And so our incentive is extremely aligned with the needs of the consumer, which again gives me a lot of confidence in our strategy.

Christopher Dieck
Analyst, JPMorgan

Q

That's great. Integration is really hard when it comes to M&A. Culture is really important at Rocket and Redfin and Mr. Cooper, how are you looking to ensure culture is consistent and additive when you're bringing the three companies together?

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Varun Krishna
Chief Executive Officer & Director, Rocket Cos., Inc.

A

Yeah, great question. And I think it's an essential question. And I think there's a couple of things I would say. The first thing is, you have to take it seriously. These are complex and they require an extremely sort of measured and rigorous approach.

And part of it is we know this is because Mr. Cooper in particular has done many acquisitions successfully. And so there are a set of best practices and playbooks. And you obviously have to leverage that. So, we've got integration work streams, we've got 35 work streams, we've got integration steering committees, we've got the best consultants, we've got clear goals.

And just quite frankly, it is a priority. The second thing that I would say just from a culture perspective is, we are just spending a lot of time together and we're thinking deeply about each of the individual work streams. There is a work stream around regulatory efforts for example. There's a work stream around organizational efforts. There's a work stream around strategy and execution. And so we're just kind of working through it with a pretty rigorous project plan.

We're leveraging the best practices, we're setting clear goals. And I think the most important thing from a culture perspective is just spending time together, and I think at some level, culture is a human condition, right. It is something that is created by people.

And it's more it's not about what you know, it's like how do you communicate and how do you spend time together? And so we're trying to do that as much as possible. And we're also being thoughtful because the culture is not necessarily static.

Culture is also a little bit dynamic. And so I think one thing that gives me a lot of confidence is that the existing cultures of each of the organizations is remarkably complementary. And I say this just from direct observation, having spent time in Seattle, in Dallas, meeting with the leadership team and doing the same and just getting a little bit of cross training in. And so the starting point to me is leaders that are having open, candid conversations that are working together, that are making progress and just some of the emotional constructs that happen when relationships are building. And the fact that that's happening, I think it just gives me confidence that we're on the right track.

Christopher Dieck
Analyst, JPMorgan

Q

To what degree do you believe these transactions will serve as a catalyst in the broader homeownership and mortgage space? And how will Rocket potentially evaluate future transactions in the market?

Varun Krishna
Chief Executive Officer & Director, Rocket Cos., Inc.

A

Yeah, I mean, I think we've got our hands pretty full right now to be totally fair to the team, because I think just getting these right is foundational, and sort of establishing conviction behind our execution plan is our top priority.

And so we're all in and sort of very focused on that. And I think that just – look at the end of the day, we just believe in our mission. We're going to be very focused on execution. And I feel like we – the thing that I think is interesting is that like in the homeownership space, it is such an adversarial relationship, right. And I think part of the reason that I believe in these acquisitions is because I believe in the leaders of these companies.

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And the founding sort of starting point of us working together, it wasn't the intellectual logic of the deal. It was that we had a shared view of the future of homeownership and the outcome of that shared view was the intellectual logic of the deal.

But it started with like a team that wanted to work together, wanted to win together. And so from my perspective, we may have – this may be a catalyst to kind of create some sort of change in the industry. But I would say that that's like a really good thing because the industry needs change, homeownership needs modernization.

It is sort of the last frontier of modernization in some sense. And so I think that's healthy as someone who is a champion for the ecosystem, not just for Rocket and for housing. I think we play an important role as stewards of that industry for all. And so from that perspective, I think hopefully it's a healthy catalyst for needed change.

Christopher Dieck
Analyst, JPMorgan

Q

Okay. So, Mr. Cooper had been on their own journey of using AI to help the servicing business. How do you think, what they've built and what they've done on the servicing side helps Rocket on servicing? And how does Rocket recapture technology to their business?

Varun Krishna
Chief Executive Officer & Director, Rocket Cos., Inc.

A

Yeah. I think what's great here is this is a very healthy conversation about an equilibrium between two different, very strong servicing organizations and philosophies and approaches to achieve a 1 plus 1 equals 11. And for example, to do what Mr. Cooper does, at the scale that they do requires best-in-class technology, best-in-class Net Promoter Score analysis, targeting capabilities, best-in-class contact reduction capabilities. And they have technologies like Agent IQ and Pyro that I think are just light years ahead.

And I think when you look at Rocket, I mean, obviously our origination business is the equivalent, the Rocket Logic platform, just everything we do with origination title and closing, I mean, that's highly complementary. I think what's interesting is when you look at our servicing platform, there are things that we do really well at Rocket as well around what we call our love, protect and amaze philosophy.

And the reason our recapture rate is so high is because we take care of the little things. And taking care of those little things actually allows you to generate the next loan and the loan after that and a loan after that. And so what I think is additive about the Rocket servicing approach and origination connecting with the Mr. Cooper servicing approach is that you get to build a different kind of LTV model and in a standalone basis the origination is a transaction and then it's sold off. But in Rocket's case, you sort of retain the servicing.

When you add that with recapture, your LTV model is now more interesting because you may earn the right to serve two loans, three loans, five loans, all of the loans. And what that does, I think, is create a much more interesting economic value proposition from both a growth and value perspective. And that's a little bit of how we think they work together and kind of create a Superstack.

Christopher Dieck
Analyst, JPMorgan

Q

Switching gears just a little bit, as part of the Redfin announcement, you announced the collapse of the Up-C structure. What are the strategic implications? What does that mean for Rocket on a go-forward basis?

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Varun Krishna
Chief Executive Officer & Director, Rocket Cos., Inc.

A

I mean, I just think it makes us a little more healthier for the investment community. It changes the nature of a float, it eliminates some of the complexity around ownership structure. It just makes us, I just think, a better investment collectively for the investment community. It's simpler.

The other thing I would just say is in lieu of us pursuing two large public company acquisitions, it also simplifies the structure for integrating that greater whole as well. So, I mean, I just think it has quite a few benefits from those perspectives. And that's the context.

Christopher Dieck
Analyst, JPMorgan

Q

So, last question related to these transactions you have, from your Investor Day, stated goal of getting to 8% purchase market share, 20% refi market share, how do these help you get there? Is it additive? Is it complementary?

Varun Krishna
Chief Executive Officer & Director, Rocket Cos., Inc.

A

Yeah. I mean, I think it's definitely an accelerant to our goals. We declare the goals independently of our inorganic strategy. I mean, we want to be very clear that we're going to build it like we're not buying it and then we're going to accelerate with inorganic as long as it's in service to our strategy.

But when you look at it, we do see a very direct correlation between this and accelerating success. Having a relationship at the top of funnel and with real estate agents allows you to build a stronger organic purchase business.

Having a servicing book allows you to build an organic servicing recapture business. Being able to have a larger book of business allows you to grow your refi share. And so, we do think that they strengthen and reinforce each other. But I would describe it as these are going to be an accelerant for our goals.

Christopher Dieck
Analyst, JPMorgan

Q

Excellent. So, we live in very volatile times these days. Where do you think the mortgage market is going with rates and the swings that we've seen and tariffs and all of the other big announcements, what's your vision? What's your view on the mortgage market?

Varun Krishna
Chief Executive Officer & Director, Rocket Cos., Inc.

A

Yeah, I mean, I think it's very difficult to predict for a multitude of factors, but I would say that, I think we're in an era of innovation right now. And the optimist in me believes that there's lots of ways to attack housing.

And I look at mortgage as a proxy for housing. You can probably tell, for me it's about housing, safe, sustainable housing. And I do think that over the coming years, you're going to start to see what technology can do to transform things.

I mean, a lot of people bet big on AI, but what they don't realize is the applications of AI will be even greater. AI will play a big role in robotics. AI will play a big role in 3D printing, in materials engineering. Correlating effects

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from these innovations will allow you to make a bigger dent in what it might cost to actually manufacture a house or manufacture a supply chain around a house.

So, I think the optimist in me believes, there's obviously going to be cyclical dynamics in the short-term. That's just the nature of the mortgage market. The good news is it's still a really big market and it can be so much bigger.

And so I think the problem will get attacked from lots of different vectors and I think there's just an opportunity for it to become better. And so that's, sort of, where I stand. I mean, that's what I think what we champion and I think there's going to be a lot of innovation in the space, and it's going to be from many, many different angles, not just from the financing aspect of a home loan. And that's why I think a lot of our strategy is to connect other parts of the experience in the hopes of being able to do something that's significantly more value creating.

Christopher Dieck

Analyst, JPMorgan

Well, I think we leave it there on the optimistic note. Varun, thank you for joining us.

Varun Krishna

Chief Executive Officer & Director, Rocket Cos., Inc.

My pleasure.

Christopher Dieck

Analyst, JPMorgan

We really appreciate it. Appreciate the time. And thanks everyone for joining.

Varun Krishna

Chief Executive Officer & Director, Rocket Cos., Inc.

Thank you.

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