Mortgage startup snags $160M funding round

Better.com, a fintech startup aiming to digitize and streamline the mortgage process, announced Monday it’s raised $160 million for its Series C funding round. The startup has raised $254 million to date, and its latest investor round included heavy hitters like Citi, Goldman Sachs, Ally Financial and American Express Ventures.

Vishal Garg | Photo credit: Vishal Garg on Twitter

Vishal Garg, CEO, and founder of Better.com said the new capital would go towards product development, partnership growth and scaling the platform.

“Similar to how Amazon upended the retail industry, Better.com is digitally disrupting the $15 trillion mortgage industry through best-in-class technology, a commission-free business model and first-rate customer support,” Garg, said.

The company was founded in 2016, after Garg said he lost a home to an all-cash buyer, blaming his loss on a “slow and antiquated traditional mortgage process.”

Instead, he used the money he saved for the down payment to start Better.com. The goal, he said, was to digitize the entire process and eliminate commissions, fees, unnecessary steps, and time-wasting appointments.

Eight ways to build the right culture for your team

Critical components of better leadership and a well-developed team READ MORE

Using the company's digital platform, consumers can upload and eSign documents, get loan estimates in seconds and pre-approval within minutes. The company claims it can close a traditional mortgage in 21 days, versus an industry average of 42 days.

The latest funding rounds comes at a time of immense growth for Better.com. The company is currently funding $375 million in mortgages a month and is on track to lend more than $4 billion this year. At the same time, the company has added 550 new hires and moved its headquarters to 7 World Trade Center in New York City and opened additional offices in California and North Carolina.

With the new funding, Better.com expects to hire an additional 400 people in sales and technology this year.

Activant Capital, Ping An Global Voyager Fund, Ally Financial, Citi, AGNC, Healthcare of Ontario Pension Plan (HOOPP) and American Express Ventures, along with existing shareholders Goldman Sachs, Pine Brook, and Kleiner Perkins led the funding round.

"Better.com is reengineering and digitizing the mortgage process, making the entire home-buying experience faster and more affordable," Lindsay Fitzgerald, managing director at Amex Ventures, the strategic investment group of American Express, said in a statement. "We are delighted to support Better.com as they continue to grow and transform the market."

Email Patrick Kearns

Source: click here