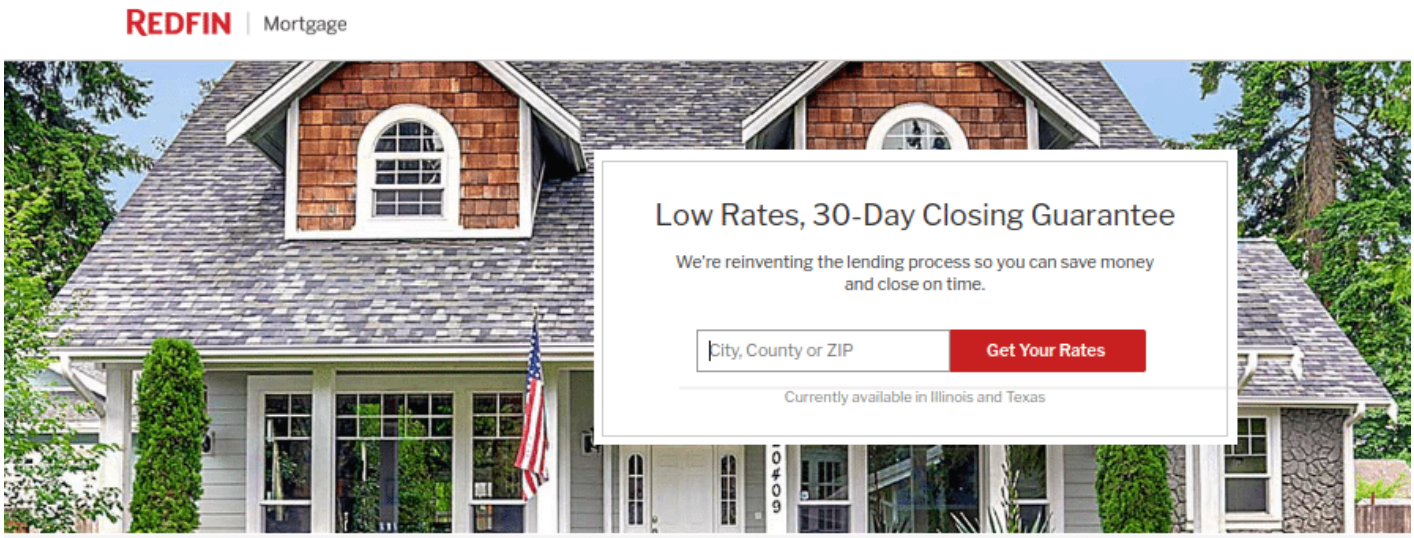
Redfin Mortgage expands to Illinois, eyes Virginia

Redfin announced today that it is now offering loans to homebuyers in Illinois through its lending arm, Redfin Mortgage. The Seattle-based tech-powered brokerage also plans to expand Redfin Mortgage into Virginia later this year, with more markets to come in 2018.

Redfin Mortgage launched in January 2017, making its initial debut in Texas, with a goal to provide a digital process with better service, quick closings and lower fees by employing a shared technology platform, compensation based partly on customer satisfaction and an exclusive focus on Redfin buyer clients.



Today, the company still primarily serves homebuyers who choose to work with a Redfin agent, though it claims that there are no incentives for Redfin agents to recommend a Redfin loan. “Redfin agents will continue to encourage customers to work with the lender that offers the best combination of service and rates,” the company stated. (It does, however, claim that homebuyers can save money buy using all of its services.)

Redfin Mortgage was designed to integrate smoothly with the Redfin brokerage operation and Title Forward, Redfin’s title and settlement company. It currently offers 30-year and 15-year fixed rate mortgages and adjustable rate mortgages in addition to fully underwritten pre-approvals.

The company’s model essentially guarantees borrowers that their loan will be approved as long as 1) their credit and employment status remain fundamentally unchanged after pre-approval, 2) the home appraises for an amount equal to or more than the sale price and 3) the borrower provides proof of title commitment and homeowners insurance.

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“In the current competitive real estate market, a fully underwritten pre-approval gives the homebuyer an edge by earning the seller’s confidence that the loan will be approved quickly and the sale will close on time,” said head of Redfin Mortgage Jason Bateman. “In a bidding war, a buyer with a fully underwritten pre-approval can consider waiving the financing contingency to make their offer nearly as appealing to a seller as an all-cash offer.”

Redfin Mortgage also advertises its low rates, which it claims to be able to achieve of through the use of technology that streamlines the lending process, and transparent pricing — the company doesn’t charge any unexpected lender fees.

“By integrating an affiliated lending operation with Redfin’s existing brokerage and title businesses, Redfin is working towards the ultimate goal of an entirely digital process — from loan application to closing — with better service and lower fees.” the company said in a release.

Redfin went public in July.

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