

What's Maxwell's mortgage processing solution up against in the booming US market?

Article

The news: Maxwell Financial Labs and its subsidiary Maxwell Lender Solutions—a US-based fintech mortgage solutions platform founded in 2015—launched what it claims is a “first of its

kind” product platform, **Maxwell Processor Edge**, targeting small to midsize lenders.

What does it do? The web-based application is custom-designed for loan processors and integrates with lenders’ loan origination systems. It uses machine learning and AI to accelerate the document review process and detect data discrepancies before underwriting.

- US loan closing timelines **have averaged about 52 days, according to the Ellie Mae Origination Insight Report**. Maxwell claims its solutions **help** loan officers **close 15% more loans** each month while **shortening the process by more than 13 days**.
- Maxwell CEO John Paasonen **said** Maxwell’s **revenues have grown 250%** over the past year. The company says it serves **more than 300 lenders nationwide** and has facilitated **more than \$150 billion in loan volume** to date.
- In the last year and a half, **Maxwell has raised \$73.8 million** from its backers, including **Wells Fargo Strategic Capital**, per Bloomberg, which **pegged** the company’s valuation in October at **\$450 million**.

What’s the opportunity? The US saw the **most home sales since 2006** last year. Faced with record demand for mortgage services—as well as social distancing requirements that made in-person meetings more difficult—traditional lenders shifted from manual, paper-based processes to automated digital solutions. As loan expenses neared a record high in 2021, lenders **sought** greater processing efficiency and speed.

- **Smaller community lenders represent 60.7% of the \$4 trillion US mortgage industry**—but they’re competing with incumbent banks, neobanks, and megalenders like **Quicken Loans** and **loanDepot**.
- **Net income per loan has decreased nearly 63%** since its high in Q3 2020, while the **cost per loan has ballooned by more than 15%**.
- Greater market compression and rising loan costs mean **profit margins will be even harder to maintain in 2022** as interest rates increase and mortgage volumes shift toward purchases.

The bigger picture: To prevail in the crowded residential lending solutions market, Maxwell will need strong partnerships and additional funding to spur innovation.

- Its biggest competitor, **Blend**, says it **processes** on average **more than \$5 billion in loans** daily. Blend reached a **\$3.3 billion valuation** in April.

- Other competing solutions and services include the **Google Cloud**-backed [Lending DocAI](#), **Black Knight's** [Underwriter Assist](#), [Roostify](#), and [Ocrolus](#) (which recently partnered with Blend).
- Two of the biggest US lenders, [UWM](#) and [Rocket Mortgage](#), have made their in-house mortgage origination technology available to partners.

Do US Community Banks Offer Digital Loan Applications?

% of respondents, July 2020



Source: Federal Reserve System, the Conference of State Bank Supervisors (CSBS), and the Federal Deposit Insurance Corp, "Community Banking in the 21st Century: 2020 Research and Policy Conference," Sep 30, 2020

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