

# Rocket seeks to diversify through \$1.275B deal for PFM app Truebill

## Article

**The news:** US-based proptech **Rocket Companies** agreed to acquire personal finance app **Truebill** for **\$1.275 billion in cash** in a deal expected to close before the end of 2021.

- The parent company of real estate, mortgage, and financial services firms, Rocket is best known for **Rocket Mortgage**—branded as Quicken Loans until the company went public in

July. It's created a large real-estate-focused [ecosystem](#), but it also offers auto and personal loans.

- Truebill, also US-based, provides [a consumer-facing app](#) that manages subscriptions, automates savings, and offers spending insights and budgeting tools. It says it has **2.5 million members**.

**More on this:** Although the personal finance management (PFM) market is crowded, and Truebill is competing with the likes of **Cleo**, **Albert**, and **Acorns**, it's on track to generate **\$100 million in annual recurring revenues**, according to Rocket. And its 2021 revenues are more than double those of 2020.

Rocket's also been growing, fueled by the hot US housing market, which has made it the [largest](#) mortgage lender in the US—it [funded](#) **\$313.4 billion during 2020**, more than doubling the \$141.6 billion it originated in 2019.

**The bigger picture:** Fintech consolidations are escalating as winners break away from the pack and seek to build a larger range of products.

- After 2020's meteoric growth, **Rocket's 3Q net income fell 53%** from a year ago, and its public market price has languished. Its IPO [listed](#) below its target price range, suggesting investors didn't see it as part of the higher-flying tech cohort.
- Early in November, Rocket's CEO and vice chairman, Jay Farner, [told](#) Yahoo Finance that the company was following a diversification strategy and looking among fintechs for acquisitions that could fit into its platform.
- In a press release on the Truebill deal, Rocket [said](#) it wants to keep customers engaged with its ecosystem when they're not buying a home or vehicle.

The real estate market is cyclical. Impending [interest rate hikes](#) in the US will likely cool the [record](#) highs the mortgage market hit. Truebill's steadier revenues will be welcome—as will be the detailed financial data it harvests from users. The latter might be the most valuable asset in this deal, if Rocket makes more fintech acquisitions to use it.