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## BANKING & FINANCIAL SERVICES

# Palo Alto fintech Point raises big money to buy stakes in Americans' home equity



By Mark Calvey  
Senior Reporter, San Francisco Business Times  
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Point, a fintech that allows homeowners to sell a portion of their home equity, said Tuesday that it raised more than \$1 billion in new capital commitments from Mill Valley-based Redwood Trust (NYSE: RWT) and other major investors.

But the bigger news might be the strong demand Point is seeing from homeowners. The Palo Alto company's home-equity investment fundings have more than doubled this year as more homeowners are looking for alternatives to traditional home equity lines of credit and cash-out mortgage refinancings.

CEO Eddie Lim told me that Point is already seeing a wave of demand emerge from the nearly 2 million homeowners in mortgage forbearance. Point is working with mortgage servicers to encourage troubled borrowers to consider selling a portion of their home equity through Point to catch up on

their loans. He's anticipating the strong demand to continue in the months ahead.

"We've had to turn off our email marketing for the last few months. We cannot keep up with demand, and that's a good thing," Lim said.

With the strong home-price appreciation over the past several years, growth is also coming from homeowners who are simply taking some of their chips off the table.

"This is a great way for homeowners to diversify a lot of the wealth that they have tied up in their home," Lim said.

Point, which has facilitated 3,000 homeowners to sell portions of their home equity since the company's founding in 2015, now has the capital to serve thousands more.

Other investors in real estate and mortgage-backed securities participating in the \$1 billion-plus capital commitment include Atalaya Capital Management, Kingsbridge Wealth Management and Palisades Group.

"Point's product addresses a decades-long deficiency in residential housing by offering homeowners a non-debt alternative to access liquidity in their largest asset; and it is the only financial product that provides investors with attractive risk-adjusted exposure to owner-occupied housing," [Jack Macdowell](#), chief investment officer at Palisades, said in a statement.

The company raised just \$150 million of capital in 2018 to acquire home equity stakes.

"Closing our next \$1 billion in capital commitments is a major milestone," Lim. The company will use the money over the next two years.

The capital commitments are separate from the company's equity backers that include venture capital firms Andreessen Horowitz, Ribbit Capital and Bloomberg Beta as well as Redwood Trust, Atalaya Capital Management, Kingsbridge Wealth Management and Prudential.

Point is also expanding its reach by adding another 10 states or so over the next six to nine months to the 17 in which it currently operates. Nevada, Ohio, Tennessee, Utah and Hawaii are high priorities for Point's expansion, with Georgia, Connecticut, Indiana, Wisconsin, Missouri and South Carolina among the states where the company plans to launch in the near future. Point already offers its service in California.

Point has worked with 3,000 homeowners to sell a portion of their home equity since its founding in 2015.

Point competes with Unison, Noah and Unlock, both based in San Francisco. Another rival is Boston-based Hometap.

Point has hired employees working remotely in Dallas and across Texas. The company plans to add another 30 or 40 people to its workforce of 110 this year.

So will Point one day move its headquarters to Texas?

"There's no plans for that," Lim said. "We're very happy to be headquartered in California."

**T H E L I S T**

## Largest Fintech Companies in the Greater Bay Area

Ranked by Bay Area employees

Rank	Business Name	Bay Area Employees
1	PayPal	4,300

Rank	Business Name	Bay Area Employees
2	Visa Inc.	4,236
3	Intuit Inc.	2,843

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