LendIt Fintech

FINTECH ONE-ON-ONE PODCAST 372-ERIC RACHMEL

Welcome to the Fintech One-on-One Podcast, Episode No. 372. This is your host, Peter Renton, Chairman and Co-Founder of Fintech Nexus.

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Peter Renton: Today on the show, I'm delighted to welcome Eric Rachmel, he is the CEO and Founder of Brace. Now, Brace is a super interesting company, they have focused on an area of the financial services space that has been mostly untouched by fintech and that is loan mortgage servicing, in particular loss mitigation, where they've taken this niche that is highly complex and they have created a fintech solution for it.

You know, they are operating now with some of the largest servicing companies in the country that have taken them on, we talk about what is wrong with servicing, what consumers actually want from their servicer, the biggest pain points that loan servicing companies have today. We talk about how their software works, how it's able to interface with these really old systems, Eric provides his thoughts on the big ICE/Black Knight deal that was announced just last month, we talk about the fundraising process and much more. It was a fascinating episode, hope you enjoy the show.

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Welcome to the podcast, Eric!

Eric Rachmel: Thanks, Peter, great to be here.

Peter: And great to have you. So, let's get started by giving the listeners a little bit of background about yourself, it's an interesting career to date, can you give us some of the highlights?

Eric: So, I started my career in financial technology, investment banking kind of before that term was coined which you kind of obviously heard time and time over the last few years, but started my career kind of the last Recession working with a group called FT Partners dedicated to the practice of financial technology. So, spent a few years there working on some really interesting transactions, just getting a broader understanding of the financial services, financial early days, financial technology, I would say, ecosystem and kind of from there, after pending some time with those guys, I ended up with a venture capital kind of group, secondary firm, Industry Ventures, had some wild successes now, spent about four and half years with them investing both directly in secondary, but largely in the technology ecosystem.

So, they're multi billion dollar, kind of early-stage all the way through pre-IPO investment firm and really got a better understanding of what it takes in both the early and growth stages in the technology ecosystem, but more general. So, that's where, you know, I took some of the more financial technology practice and broadened my horizon to really looking at businesses from enterprise software, consumer businesses kind of runs the gamut. Spent like a number of years there at which point I had the opportunity to kind of join a group that was spinning out BBVA called Propel Venture Partners. And so, that was around 2016 timeframe/2015 timeframe and so really joined that group when they were, you know, throughout that process and were successful in creating kind of an external venture fund when they asked me to join them.

And so, you know, from there our mandate was...we had a few hundred million dollar first fund which was really unusual, particularly back six/seven years ago. Anyway, the mandate was to invest in the financial ecosystem so bringing back to the fact that, you know, I was always interested in this kind of landscape/ecosystem really seeing things start to inflect for those newer fintech players around that 2015 timeframe brought me to this group and spent, you know, some time really investing in the broader ecosystem.

And so, really wanted to get more exposure to the earlier asset class, I should say, for a fund that was really focused on that Series A, seed even Series B startups so a little bit earlier than Industry Ventures and where they get started. So, I had exposure there and that's kind of what brought me to kind of current day actually, Brace, but historically more of the investment banking, traditional venture capital route to get me here.

Peter: Those are three fantastic names to learn how the industry.....I mean, FT Partners, obviously now Steve Mclaughlin is a legend in this industry and I can't imagine a better person to learn about the ins and outs of fintech than him. Anyway, so let's maybe talk about the founding story of Brace. What did you see that led you to start the company?

Eric: So, we started the company in 2017 and it has largely been doing some of that independent discovery work from a number of parallel business processes and opportunities. So, in 2016, from again working with one in the venture ecosystem, had the opportunity to look at large tech companies and there were some really interesting ones because obviously coming out of the last crisis which was largely mortgage, we had a lot at stake. That said, there was also a lot of interesting opportunities in companies that were coming out thinking how do we reset and redo the existing kind of technology frameworks/operating frameworks itself, they were all focused on, at the time, (inaudible) and technologies and you still see that largely today.

And so with that said, I also met with other groups kind of more focused on the consumer loan servicing space and that's really where my wheels started turning. You know, I started to dig into not only like this massive opportunity in the servicing space, but this really large opportunity in mortgage and obviously mortgage servicing. That's where it was like okay, an aha moment came where it was like this is the largest asset class for the servicing, right, so this isn't student, this isn't consumer, this is multiples, larger and its multiples were more complex than those two asset classes and going back to the fact that what I was seeing in the landscape was everyone was so focused on origination, the servicing asset was left behind

And so in early 2017, I had enough conviction at that point to at least let myself go and explore operating here so moved away from the Bay Area, I was in the Bay Area working this whole time, moved down to Los Angeles, moved in with my folks to live my founder story trying to figure out how we're going to get this one off the ground. And so, I really started working on the idea fulltime early 2017 and that was countless executives, whether I knew them from my historical life as a venture banker or just cold emailing, right, cold LinkedIn. That's just the stuff you have to do early on, just understanding this whole space, right, the mortgage servicing space is massive, the technology behind it is really large, how do you get started and where do you get started and what is the play.

Do you build an operating company, do you build a technology company so I spent almost all of 2017 just on my own looking through all the different areas, understanding all the different very interesting facets of mortgage servicing and by the end of that year, I had enough conviction as to where to start and that was really on the default servicing side and realizing a lot, if not all of the really enterprise value was baked into the software and structure and you can make a really large improvement here that would be very important.

So, that was, you know, late 2017, started kind of building the team out in the early 2018 and raised our first institutional round at that point. The original thesis was we need to build better infrastructure, middleware wasn't going to cut it in the space and candidly, the hardest place to start would be in loss mitigation, but it was the picks and shovels you need to build the industry to survive that true ROI. And so, really haven't kind of pivoted from there and really just stuck to our thesis that let's start with loss mitigation.

Peter: Right, right. We'll dig into that in a little bit, but before we do, I want to take a step back and talk about the mortgage servicing space in general. I mean, I've taken out a problem, got too many home loans, probably three or four home loans over the last couple of decades, the servicing piece, it's never simple, it feels broken to me in many aspects. It just doesn't feel like there has been a fintech kind of play on that side, I mean, why do you think there's been such little innovation in mortgage servicing?

Eric: So, first off, it's a really tough business to start probably, this isn't the revenue side of the business when you think about originations, where they make a fee off getting potential home mortgage to transact, whether that be from the title side or just the actual loan origination side, but largely, the servicing fees, it's a fixed fee business and entirely regulated. So, there isn't a thought of waking up and thinking I have really long endured the pain of figuring out how the heck to fix and innovate here for this part of like the housing market.

There was lower hanging fruit earlier on in the origination side and so with that said and with the complexity, you know, it's highly complex and so it's not necessarily in a traditional sense of saying okay, how do I build a reusable rocket, for example, but in the sense that you have to rebuild the tech stack in mortgage servicing, you need a significant amount of capital. And so, that's changed somewhat with the recent influx of capital to some of these more antiquated businesses and to make any inroads here you need to be highly understanding of the rules and regulations to consider when you are developing the software.

You have these existing companies in the space, two very large ones, one that has close to 70, to 80% of the market, you're talking about 50/60-year old businesses built on main frame COBOL systems largely just left alone and a huge market full of long standing relationships so the breadth of these solutions are fairly large and it takes the team to be patient there because in order to be successful, there are no shortcuts. And so, you have to have a dedicated team that are willing to work on these projects for years, if not decades, to be successful and start it.

Peter: Right, right, okay. So then, let's talk about the typical mortgage servicer today, how do they operate and maybe particularly when it comes to loss mitigation what's sort of their standard operating procedure?

Eric: Yeah. So, I'll start with how they operate just largely and then dive into loss mitigation. So, mortgage servicers have a whole host of kind of roles they need to play, keep in mind that this is an industry in a unique market where consumers have no ability to choose whose services they want so that in itself is kind of unique to itself. But to start, they're responsible for loans that are transferred from other servicers which is a pain point in itself, but the day-to-day processes are anything from loan payments, you know, responding to home owner inquiries, keeping track of the principal, the interest paid and remitting those payments to investors, the tax authorities, insurers and other escrow accounts and maintaining these escrow accounts, I should say.

And then, more particularly, on the default side where we play in loss mitigation, if the homeowners find themselves falling behind in payments, the servicers' role is to work with the homeowner and get them back on track, that's where we come into play. And so, they're responsible for activities such as collections, loss mitigation and then as well as foreclosure activities that take place if loss mitigation is not successful and really, a lot of these is very reactive and not proactive business opportunities. And so, we are actually pushing actively for better KPIs aligned with more of that support proactive activities and it's something that we've been championing here and building software to gather kind of support for that proactive versus reactive of what you're seeing today.

Peter: This has happened to me twice now when my....I was very happy with servicing, everything was going well then it was sold to another company and suddenly this new company.....and, again, it's frustrating from a borrower's perspective. You've got no say, I almost wanted to say no, I don't want to be sold, I want to maintain the relationship that you had no choice. I can't think of any other service other than the government service where you have no choice like this and so I feel like it can be frustrating and I imagine…Are there other pain points for servicers. I mean, how do they deal with these frustrated customers?

Eric: Well, as you see, they're usually not the most friendly folks when they get in there and you can imagine, this is your life's biggest asset. And so, the value proposition that we usually create is not only should you support them in their performing side when everything is going well and guess what, like things do go wrong, right, I'm sure not only from a loan boarding perspective when you get transferred, right, and you have to deal,...providing new payments, I'll enroll, right, to kind of problems with your escrow. That happens time and time again, but imagine, you know, at a point when you can no longer make your payment and you don't have the support of your servicer, that's when things get really tricky and folks aren't necessarily experts and know what the heck happens there.

And so, that's where we're really helping support the ecosystem and community because it's not just about supporting those homeowners in times of good, but also in times of need, particularly in light of the recent events of COVID, we're also looking down at potential recessionary event now, And so, that's where we're seeing the market move now, we're actually seeing a lot of interesting uptick in thoughfulness around infrastructure and the move to digital where you've seen that historically, haven't seen that servicing in there, they're coming around very quickly now.

Peter: Right, right. So, maybe we can dig into exactly what you're offering and how it works because, I mean, you're not requiring the existing these mortgage servicers to move like cold turkey to a new system, right, so explain exactly how it works.

Eric: So, we started and continue to refine and define the loss mitigation market, I should say, as something in which this is the most difficult area of the whole servicing process. So, historically large incumbents in the space are generally stale to deliver here and the point solutions were just not....they were stale and nothing was happening so what we did is to remove the need for servicers to jump from one screen to another. We took an all-in-one holistic solution approach to the problem and removed these like legacy solutions from the equation so as you can imagine, this was not going back to the, you have to find folks that are really willing to go on that journey with you.

This took a number of years to develop so we offered, you know, white glove kind of solution here so it's white labeled so the homeowners never know we exist, kind of what you see in similar trades with point of sale, some on the origination side and we power these digital solutions of homeowner cannot make that payments. It's only part of the solution, it's only, you know, that point of sale per se for loss mitigation.

It's interesting, but it's not the end all, be all, it doesn't solve a lot of the issues that servicers face today so we coupled that digital kind of offering with a task-based system which automates a lot of workflow that needs to happen in order to remediate and actually offer a loss mitigation decision. And so, we have to build not only the digital offering, we built kind of a workflow automation platform, but at the same time, we also had to build those waterfalls into that decisioning engine. So, it's really a point of sale system, an automation system on top of a loan origination type of system, but in the context of loss mitigation.

And so, we had developed that over a number of years and it really allows you to provide an end-to-end solution, not only online, but keep in mind, we also have APIs and integrations for offline support. Not everyone is going to go online so we encapsulate, you know, some of those folks that are digitally native and willing to say okay, I want to just go online and solve this, but also the folks that are more old school, not really a happy touch. So, we provide a solution for all that and really all these kind of coalesces around this Brace 2.0. We actually launched this and started talking about this to the public last year, sorry last month, I should say, which was the evolution of our platform. You know, it was again years of hard work and learning in greater focus on the employee tasking and a great, large focus on compliance.

Peter: Okay. So, maybe can we just take us through an example of, say you're working with a servicer who has a homeowner who has skipped some payments and is having a real hard time, how does it work when they're using your software versus just one of the plain and old traditional servicers.

Eric: So, without us, there are a number still of large mortgage servicers that don't have any ability to transact and support the consumer online. So you can't make your mortgage, you missed a payment or two and they send you a packet in the mail, it's a bunch of mortgage jargons and it basically says, we need a bunch of information so you send us these, but you really don't know why you're sending the information, you've no idea, there's no user guide right there. Hopefully, this is your first time, even if this has happened multiple times, it's a confusing process and you can't transact digitally. So, with us, it goes back to we know, based on rules and requirements, so if you're a Fannie borrower, an FHA borrower, an independent kind of non-QM borrower, what kinds of solutions are potentially out there for you.

So, from a digitally native perspective you log-in to your bank's website or non-bank's website, you click for Support and Help for loss mitigation and it launches our application natively, you don't know we exist, but we then know who you are and we ask you some questions. We ask you, what do we need to do to get you to do the decision that is best for you quickly and so we have an intuitive user experience there on the front end which allows you to dataflect and that's really important to the servicers.

A lot of the pain points here are back and forth from submitting the wrong pay stubs to not submitting pay stubs at all to not understanding let's say you're going through a divorce and you need a divorce decree, like what are the certain documentations and what are the outcomes involved and where we are in the process right now. Historically, without using Brace's solutions, it's very okay, you don't know where you are, you don't know what you need and they're kind of stuck here just hoping that there's support there at the end of the finish line. And so, with us, you take all that information from that homeowner, we then understand what we need from that system of record to really figure out what task needs to be performed on a loan-by-loan basis and historically, what’s happening is very linear.

It’s not a multiple hands-on on a loan file at once and so there’s really large delays there. And so, what we do is we offer a compliant-friendly solution so that you can have multiple folks that are actually still at that task handle that loan at once and then remediate that decision because, again, as a homeowner we just collect all these information to be evaluated then we can write our proprietary rules engine which then spits out a result and you can then go to the homeowner back to, whether it be a modification, whether it be, you know, more of a streamlined approach or option. We have the ability to not only do a lot of that kind of custom workflow, but also are responsible for the underwriting decision itself.

Peter: Right, right, okay, I imagine that your system….like there’s obviously a lot of mortgage servicers out there, I don’t know how many, but there’s plenty, like maybe you could just tell us about the industry, are you focus just on the really largest mortgage services, I mean, I presume there are some mom & pop services as well, but tell us a little bit about who you’re focused on.

Eric: There are and this is more of the reason why it's harder to get into mortgage servicing than the lending space where you have, you know, thousands of lenders out there, you have a massive consolidation in servicing. Lot of reasons why, largely regulatory, just standing up systems are really expensive, but we're talking about the top ten largest servicers make up well over 50% of that market. And so, historically, yes, we do work across smaller to larger servicers, we're working with two of the top ten servicers at this point, but our strong product market fit here that we have found over the last few years has been with those larger top ten/top 20 servicers.

That said, we can't support longer tail, but there just aren't that many, it really is the 80/20 roll of folks, you know, servicing at the high end. We're talking about two of the largest institutions in the country services over 2 trillion of the, you know, close to 12 trillion outstanding today. So, we're really focused on moving that market and getting the software into the hands of as many consumers as possible to help.

Peter: You're working in tandem with the servicing companies, right, at least in the short term I imagine, not looking to replace them so how does it work? How do you interface with the green screen COBOL system that were developed in the 80's?

Eric: So, we built Brace with that vision of becoming that core structure for all servicing activities so, as such, we've taken the approach of creating, you know, a solid, secure platform to be able to manage the modular applications and integrations for any of the tools that are acquired. So, whether that be we integrate well into their consumer applications, but as well as the internal infrastructure that they have in place today. Right now, at this point, we built this modularly and we know what data we need from that servicer and when which is oftentimes from that system of record, from that COBOL system, but it makes the integration much easier because of the fact that we have been around long enough to understand what it takes to integrate and/or work with the data that needs to be extracted from that mortgage servicing system.

You know, we have a team that comes from broadly larger tech, as you can imagine, but we also early on understood compliance is very key here so we brought some folks that understand compliance in the industry. We also brought some executives that ran loss mitigation on our team early on, that really kind of helped support the strategic initiatives to understand what does it take to get it done at this large mortgage servicing stack, not only from a deployment of our solution, but the integrations that need to take place to be successful here.

Peter: Okay. So, I want to talk about a survey you guys did, I was reading about this when I was researching for this interview and you did a survey of consumers early this year and there has been interesting things. Can you just take us through some of the highlights of what you found out?

Eric: And I appreciate you mentioning this, we did a lot of work in really kind of understanding, not only, you know, our customer which is the servicer, but really the homeowner and for us to be impactful, make a difference here, it's understanding that consumer behavior. We spend, continue to spend and did spend a lot of time really thinking about how we can make this process better for that homeowner. You know, I don't think some of these will be shocking, but in general, 60% of people were actually too embarrassed to speak with their friends about their financial situation and 30% are too embarrassed to even speak to their servicer if they couldn't pay their mortgage.

It's just understanding the fact that the default side of like this is an embarrassing process oftentimes for people. And so, do you really want to go and talk to someone about this app, a call center that you don't know or do you want to do this online so that was one of the takeaways there. Interestingly enough, 43% of consumers think that digital is more secure than paper so you're starting to see that real adoption occur here and 50% want to use digital, but it's not provided as a source for most servicers.

What was kind of one of the more interesting takeaways though is the older the homeowner is, the more likely they need less one-on-one help with their mortgage servicer and will want to use digital channels whereas 48% of millennials has asked their servicers for help whereas only 30% were boomers. That could be related to the fact they're new homeowners and so they have more questions than you can imagine whereas the older population have gone through this process before. Lastly, you know, one of the things you probably can imagine is going back to the offline approach, some of the folks that are more old school, we have 5% of people still traveling to your bank branch to pay their monthly mortgage in 2022.

Peter: That's amazing.

Eric: You have to service those customers so it's not just about ACH and innovative ways. From a payments perspective, you really do have to be all encompassing when you're talking about servicing the broader US population.

Peter: I hope that 5% continues to go down, I imagine, it will, it's very expensive to service people face-to-face when you can do it online, yeah, okay. So, I also want to talk about this announcement that came out last month and Intercontinental Exchange, ICE, wants to acquire Black Knight for $13 Billion and obviously it's got to be approved by the Justice Department because I think these are two very large mortgage servicers. I wanted to get your take on when you read that, what did you think?

Eric: It's obviously huge news for this industry and it's generally highly important to the entire housing economy. These are two of the largest buyers by leaps and bounds in both the origination space and the servicing space and Ellie Mae was acquired for north of $10 Billion from ICE over the last, I think it was two years ago so you're talking about, you know $25 plus Billion of enterprise value from an acquisition perspective just in this kind of origination services space so it goes back to the validity of how to barge these opportunities into large spaces. You know, it's really no surprise right now, as you mentioned, for public markets, it's trading at a significant discount to the purchase price discussed and it has a lot to do with the fact that folks are still waiting to see if this passes that, you know, anti-monopoly muster.

So, that will be interesting to see how this plays out throughout the end of the year, but from an innovation perspective, you know, we think it's a good thing. You know, it'll be interesting to see how they both independently and separately together, continue to view new entrants such as ourselves as friend or foe. Integrating these two large companies is going to be a heck of a job, as you can imagine, from an M&A perspective and so it allows new entrants such as ourselves to continue to innovate without these distractions and just really focus and double down on value integration for our customers.

From a customer perspective, you know, we're certainly hearing their customers as well as our customers general uncertainty which no one likes general uncertainty and so we're just really here to support and fill-in where we can to be the best-in-class partners, but, you know, we do respect both of those larger organizations, they built really large meaningful businesses here. It'll be exciting to see kind of how that plays out and if and when they can get that transaction down, what it means for the future of the housing ecosystem.

Peter: Sure. So then, I want to talk about the fundraising process for you because you're a little different from the typical fintech CEO insofar as you've been on the other side of the table on the VC side, how was it for you and what did you kind of use as far as your background, apart from obviously contacts, but how did you use that knowledge that you developed as a VC in your fundraising process for Brace?

Eric: Candidly, it was difficult early on as we were the first mover in the mortgage services space so education is key here, again, going back to lots of knowledge of capital on the origination side, but very few, if any, traditional VC, private equities in the space for a while, venture capital, early-stage venture capital firms understanding this. So, we have a strong, you know, few strong supporters early on which really helped us get to that Series A, Series B kind of framework, but the early days were more tough because they were just trying to understand, not only from a vision perspective, what could you do in the interim and the near-term to get the business off the ground in meaningful ways and having that support structure where, you know, again, going back to the business is an overnight success, you're going to have to put, you know, a significant amount of R&D capital up front to really see that enterprise value on the back half of that.

And so really just using my background and understanding as to how do you tell that story and also how do you kind of get to market in meaningful ways and build the right partnerships in the ecosystem play here. So, we were able to do that, it wasn't easy I would say, I'm being honest, but, certainly, you know, we're happy to be on the other side seeing validation from working this on the larger lender servicers in the country now.

You know, even going forward, there has been a lot of chatter around the end of this bull run in largely tech, in general, fintech. In our space, you know, we weren't this sexy, overfunded kind of company, this was always going to be a blocking and tackling business over the course of cycles, And so, while we definitely took advantage of some of the capital that was available early on, you know, we have limited competition from a new player entry, we do have a few.

We were the first, like I said, back in 2017 to tackle the space and generally because of that challenge we played very nicely with these folks and we're almost pseudo-partners here and it's good to see that and folks are starting to get the message, VCs are starting to understand the value proposition here and wanting to be involved. So, it's going to be a longer working journey and we found some really strong partners, thus far and, you know, decided to come and see what's next.

Peter: Right. So, I'd love to kind of get your perspective on how your business does because you get focused on loss mitigation for the most part, so in a downturn do you think you're going to have easier conversations to kind of bring your solution onboard or…..I mean, obviously we've been through the pandemic which was really unusual with, you know, foreclosure moratoriums and that sort of thing, but what are your thoughts on a downturn and sort of the way that people approach solutions like yours?

Eric: There's two sides of this. One is the general excitement and/or just understanding that servicing is now more attractive so over the last few years, origination, it's counter (garbled) strong because the MS are the servicing right. As you can imagine, you keep refining out, it's not very valuable to that servicer whereas now, you're looking at rates continuing to rise so servicing assets themselves are more attractive. So, servicing has now taken a massive spotlight and it's actually where you're seeing….now there's been a significant amount of pain for these originators and the folks that are originating and servicing are the ones that are doing the best right now from a financial performance perspective.

So, in general from a truly servicing perspective, servicing is now a hot topic, it's something in which a lot of lenders are starting to make significant inroads and attraction and seeing their performance rely on the servicing asset. From a loss mitigation perspective, yes, so we saw a lot of folks with COVID kind of take a step back and in March of 2020 rushing to us and really trying to have us solve solutions and be successful there. Now, we're seeing a kind of…actually happen again, that's just another way of …as recently as of the last two quarters where this hesitation as to where the economy is going is allowing them also some time to actually (inaudible) and that COVID crisis, I should say, it was challenging because it happened to quickly.

It's hard to standup an enterprise solution that would attract a ton of different folks so we were very selective at that point. Now, there is time to prepare and there's enough folks that have been around this to understand given the landscape, given kind of where we're going. We need to be prepared and we need such a service with people and processes, but how does technology fit into this entire formula. And so, that's been a new development, I would say, over the last, particularly last three months, bit over the last six months where folks are coming to us proactively and saying okay, now is the time to go and stand up newer solutions that can help with potential rising delinquency rates in the 2022, 2023, 2024 timeframes.

Peter: Got you, okay. So, last question then, what are you working on now that's coming down the pipe, what's next for Brace?

Eric: We're certainly going to double down with our existing customers and getting our software into the hands of servicers that we can help today going back to the go-to-market, we are focused on, right now, on the mid to larger servicers and the vision is massive, we want to build an end-to-end really experience here from performing to non-performing to really manage the life cycle of servicing. From just what we can provide today, we've built some really compelling technology that is proven ROI and proven benefit so we're going from that kind of startup phase to growth phase now, it's certainly exciting.

So, we're really, you know, excited to just be able to prove that there's a better way to do loss mitigation, continue to expand that market and then enjoying the opportunities to grow alongside our current customers today and with a strong pipeline really hopeful to see this kind of broader adoption throughout the entire asset class.

Peter: Okay. We'll have to leave it there, Eric, good luck and thanks so much for coming on the show today.

Eric: Thanks, Peter, appreciate it.

Peter: You know, I don't think anyone would call mortgage servicing a sexy business, but what Eric just said and I think cemented in my mind too it's so necessary, this infrastructure-type plays like Brace are so critical and they are ones that are going to really stand the test of time. I think. You know, we were chatting after we stopped recording that we're going into a challenging fundraising cycle right now and we just heard that with Matt Harris on my last episode, but, you know, he talks about how some of these companies are not going to be able to raise money.

So, that's certainly in any way close to valuation that they were at before whereas these companies like Brace, this sort of pick and shovel-type companies, the infrastructure are going to continue to do well and they're not going to have to suffer some of the negative consequences that the high flying fintechs will be suffering over the next 12 to 18 months, we've already seen some of it already.

Anyway on that note, I will sign off. I very much appreciate your listening and I'll catch you next time. Bye.

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