LEND ACADEMY

Podcast Transcription Session 22: Mike Cagney

Peter Renton: Welcome the Lend Academy Podcast, session number 22. This is your host, Peter Renton, founder of Lend Academy.

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Peter: Today on the show, I am delighted to bring on one of the true leaders of our industry. Mike Cagney is the CEO and Co-Founder of SoFi. You probably know about SoFi from the student loans and they've done close to a billion dollars, but SoFi have also broken some new ground in this industry. They did the first rated securitization of our industry in December last year and more recently, just in the last few weeks, they did an S&P-rated securitization and we talk about that and the significance of that securitization for this industry. We also talk about some of the new areas that SoFi are looking to go into, some fascinating plans they have and you'll find out all about them in this episode. Hope you enjoy the show.

Peter: Welcome to the podcast, Mike.

Mike Cagney: Thanks, thanks for having me.

Peter: Okay, so why don't we just get started with telling the listeners a little bit about your background and how you came to start SoFi.

Mike: Sure, so just by means of background, I started in banking back in '94. I worked at Wells Fargo and ran structured project development, proprietary trading and a few other things for the bank. In early 2000, I launched a technology start-up that I grew and ultimately sold to BroadRidge. I left the operating side of that business in 2005, started a hedge fund called Cabezon which runs about a billion dollars for 18 family offices based in San Francisco.

In 2008 when the world was falling apart, one of the families that I knew very well, worked very closely with came to me and said, you know the financial system breaks every 25 years, you're a smart guy, why don't you try to figure out a different kind of model. So I went out and looked at what was happening on the entrepreneurial front within financial services and I happen to know Chris Larsen [co-founder of Prosper] pretty well over at Prosper and I sat down with Chris to talk about what he was doing in the peer-to-peer lending space which I thought was an absolutely fascinating space in the context of disintermediating the banks. It was early in the process and there were some challenges I felt the business model had. I was pretty excited about this concept, but we ended up not doing anything with Chris at that time.

A couple of more years passed and in 2010, a good friend of mine asked me if I wanted to go down to Stanford and do a fellowship for a year at the graduate school of business. I've been staring at a Bloomberg screen for a really long time at that point (laughs) and decided that it was a good

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opportunity to step out and think about big picture financial services and how to solve the problem. I went down to Stanford really with the idea of creating a marketplace for an affinity-based financial solution. Serendipitously I met a couple of my co-founders here at So-Fi, Dan Macklin, James Finnegan, Ian Brady and we all started talking about this marketplace concept and what we were looking for was a vertical that best demonstrate how this could effectively work. We looked at ideas in banking, brokerage, insurance and ultimately decided to settle on student loans as a first product.

That might seem a little bit of an odd asset class so to speak because it certainly in the press is not viewed favorably. It certainly has some challenges as an asset class, but the reality is it's a $1.3 trillion market of which there's a lot of very good credit in there. Sixty five percent of the students at Stanford's graduate school for business were borrowing at the time so we had a lot of folks who were using the product including my co-founders. Most importantly, it really tied in to this affinity marketplace concept with the idea that you get alumni investing in a fund that funds fellow alumni and students from their school where you can create on the borrower side a moral suasion that you don't want to default because it's your community funding you and you build transparency into that. On the investor side, you're creating a structure where you not just have an economic incentive but also an affinity incentive for that borrower to do well.

Peter: Right, sure, sure. So you started on student loans, but it sounds like all the time this was only just going to be a starting point. That was your plan just to really launch the product here, launch the business here and then move on from there. Was that always the plan?

Mike: Yeah, that's right and effectively what student loan refinancing gives us is it's almost a Trojan horse. It allows us to build a beachhead and do a very interesting customer demographic that looks very much unlike any other peer-to-peer lender.

Our average borrowers are around 32 years old, they've got a 780 FICO, they make a $150K a year pre-bonus, over $5,000 a month of free cash flow and because of that borrower demographic, it allows us to go after different areas in the market to deliver solutions than the existing peer-to-peer folks are competing in.

We're not a big card consolidation play like the Prosper or Lending Club and we have no aspirations to go in to small business lending, but we certainly do have aspirations to go into mortgage lending, in fact we're already there, auto loans and other types of credit. They represent a much larger chunk of that $11.5 Trillion of consumer credit outstanding,

Peter: Right, we'll get to those other areas in a second, but just wanted to focus on that one point that you talked about like these super prime borrowers, I mean, high 700s FICO score, high income. Is this the segment of the market you are completely focused on? These are even beyond what you get as an A-grade borrower at Lending Club, I mean, this would be A-grade borrower at Lending Club or AA at Prosper. Is this market your total focus and what is the size of that market?

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Mike: Sure, it's absolutely our total focus and it doesn't mean that we don't do some lending outside of that core market. For example, Stanford asked us to create a Parent Plus loan program for them because they didn't like the government program and we've done that. It's been extremely successful, but the real bread and butter for us is focusing in on what the market calls a "HENRY" which is an acronym for "High Earner Not Rich Yet," someone in their early 30's with a lot of free cash flow and have a lot of assets. If you look at the US, if you look at that 25 to 40 age demographic and you cut out say the top 5 to 10% of that, you're doing with at least 3 million, maybe upwards of 5 million people. So you've got a relatively large market opportunity well beyond the side of the student lending market.

Peter: Right, right. Well, obviously, you're only going to the super prime of that market, I mean, not every 25 to 40-year old is going to have a 780 FICO.

Mike: Right, the 3 to 5 million represents the super prime of that slice.

Peter: Okay, right. So it seem like you did your first securitization in December. It was a rated securitization by DBRS. Can you just tell us a little bit of the details about that deal and also why did you decide to go down the securitization route?

Mike: Sure, I'll tell you about the latter point first then get to the details. From our standpoint, we like to diversify the funding sources that we have and we like to keep the alumni retail investor engaged, irrespective of what that funding source is so when we give bank participation, and we have a very large program there, we slice a portion of every loan back to SoFi and the alumni.

When we do securitization...the way a securitization works is you take a pool of loans and you break it into two pools, a senior and a junior tranche, that junior tranche always has retail alumni participation in it. The benefit of securitization is when the markets are open, it's generally your lowest cost of financing. And a caveat is that the securitization market will shut once every five to seven years so it's not a structure that you can rely on to be there all the time and we certainly saw this blow up in 2008 with other student lenders like My Rich Uncle that were beholden into that market, did not have the right structures in place and when it shut down they imploded. When it works, it can give you the lowest cost of capital. For example, I know we will talk about the one we just did in July, but the all in cost of capital equity and senior debt in that structure was about 3-1/2% to us.

Peter: Wow, yeah, that's great. So you have the equity piece which ...is that all individual investors in that equity piece? I mean, you said you talked about the alumni investors...is that.....

Mike: Yeah, we have a little bit of institution in there as well and we do that just or no other reason than to get the retail folks comfortable that it's priced correctly and appropriately in their very pursuit of the institutional folks in these structures, but it's predominantly been retail money.

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Peter: Okay, okay, so then let's talk about your second one. You just mentioned that you just did it in July, it's been over a month ago. You got a rating by Standard & Poor's despite the fact that they had released a memo, I think just a few weeks before that saying they weren't really going to participate in this asset class, the unsecured consumer loans. So how were you able to pull that off also what is the significance of this for the whole industry?

Mike: This is huge for the industry because if you look at the DBRS transaction and I promised to talk about some specifics of it and I haven't so let me do that very quickly. The way that we got DBRS comfortable without having three years of operating history, because that's effectively what they want, is they have the cohort default rate numbers for the schools of our borrowers and they said, you know, we're going to use these as a proxy for credit performance. So rather than having to have a long track record and a tape that we could show them, we simply said, well, here are the schools that our borrowers are from, representative, and they went and looked for default numbers and pulled together a default profile for the transaction.

Your first transaction is always your most difficult. It wasn't without hiccups as we went through the process, but it was done effectively at the end of last year. The S&P transaction is important because they did not look at the cohort default numbers. They purely looked at the way we were underwriting. This is important for SoFi because that means we could go into any particular loan type, whether it's a mortgage or it's a personal loan or it's an auto loan, as long as we were underwriting consistently to the way we had underwritten the student loans, we can get a rating by S&P in the market. It's important for us because it opens up a large number of incremental loan types that we can fund into, knowing that there's liquidity for the market, but it's also important to anyone else in the space because they can basically follow our lead and how we underwrite which is not against DTI, it's against free cash flow and it looks like the rating agencies are very inclined to accept that as a better way of underwriting and evaluating credit.

The S&P transaction, it was the lowest expected cumulative default they've ever assigned to an unsecured credit pool and, you know, we have over 10,000 borrowers. We're coming close to a billion dollars in lending at this point, we funded $115M last month and should fund about $135M this month and we've never had a default still. They will happen at some point and some of why we don't have defaults is, as you know, we've some very interesting borrower protections where if you lose your job, we get you re-employed, but if you go more than 90 days we count you in the delinquency category and that's not happened so when our borrowers have run into trouble we've been able to go into the community and get them re-employed pretty quickly. That certainly helps the performance of the book.

Peter: That is a very impressive, a very impressive record. I think any platform would be extraordinarily happy to have. So on your underwriting, like if you're in the Stanford MBA program and you're taking out a loan or you're looking to take out a loan, are you only taking certain slices of those people or the mere fact that they happen to be in a top school, in a top MBA program, is that enough for them to get the loan?

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Mike: Sure, effectively, we do two type of lending. We do a very small amount of in-school lending and it is limited to MBA programs and a finite number of MBA programs. And as long as you have a sufficient FICO score, which really means you don't have derogs on your credit, we'll underwrite that loan. Now we're not big FICO-based lenders and so once you graduate your FICO score becomes pretty much irrelevant in the underwriting process other than it's necessary to ensure there's no derogs in your credit. What we're effectively looking at and the two biggest factors that drive our decision in terms of where we price your loan is your free cash flow and free cash flow is a function of where you live so we take your income, we take your assessed taxes, known liabilities that you have and then also where you live. So someone in San Francisco is going to have less free cash flow compared to someone in Ohio and we underwrite against that and then years of experience.

Those two factors really drive the underwriting process for us. We end up with very high FICOs not because we're optimizing on FICO, but because people that have a lot of free cash flow with five to six years of work experience tend to be very high FICO credit. So it's more of a by-product than it is an optimization to that score.

Peter: Okay, so today are like still attracting alumni investors? I mean, you obviously got a track record now that's really fantastic, are you seeing more of the alumni coming on board? Are you trying to bring in new retail investors? I mean, where are you at with the investor mix?

Mike: Yeah, we're constantly trying to make it as easy and digestible as possible for retail investors. As you could imagine, retail investors investing directly in the equity on a securitization is not the most simple and straightforward process relative to other investment options, so we're working on ways to streamline and make it easier, but we're effectively, right now, doing a couple of different products for alumni.

We have a perpetual preferred stock that we're issuing, it pays out a 6-1/2% coupon, it's initially a return of capital so that even though we're profitable on a GAAP basis it still constitutes return of capital today and then it becomes a qualified dividend and it's got a convert option to buy SoFi over three years. You can buy SoFi common stock and it's tied to schools. You can have a Stanford perpetual preferred or a Michigan perpetual preferred and that 6-1/2 coupon, if the default rate in the school goes above 1% in the SoFi book it drops to 3-1/4 and if it goes above 3% it drops to zero, of course, all the numbers are 0% right now.

People like that structure because it's tax advantaged to them from a distribution standpoint, it's a reasonable yield, 6-1/2, and it's giving them upside in SoFi with a convert option into the common and we're getting a lot of traction around that structure. Effectively, that capital ends up going into the equity position within the securitization transactions and other transactions that we do, but it's just a cleaner vehicle for the investor to take.

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Peter: Well, obviously, some investors are not going to want to participate, are they? They just want to....some people hear the word securitization and run for the hills.

Mike: Right.

Peter: So you're obviously giving them the option to participate in the equity piece or not. Is that correct?

Mike: Well, no, the option is actually to buy SoFi stock.

Peter: Okay.

Mike: So it's a preferred stock with a convertible option into SoFi common.

Peter: Right.

Mike: The point of that is when people get engaged they tend to really like the model and the next question I believe that comes is can I invest in the company? What we've done with the perpetual preferred is giving them a vehicle. It gives them a good coupon, it gives them school affiliation, measurable social impact. They can see how much they're saving alumni from their school. It gives them a 3-year window that if SoFi's successful they're going to be able to convert that into common stock position and participate in the upside.

Peter: I see. So your next securitization...it's going to be outside of that 6-1/2%?

Mike: That's right.

Peter: Okay. I want to switch gears and talk a little bit about some of the moves that you have made lately. You're talking about home mortgages, I saw your slide at LendIt that had...it was like 70% of outstanding debt is home mortgages and you're running a pilot right now, I believe. Can you give us the details? What are you actually doing here in the mortgage business?

Mike: Sure, we try to attack the mortgage space on two different fronts. One is around product availability. In particular, if you think about our customer demographic having a lot of pre-casual, but not a lot of assets, they want to buy a house in San Francisco, say it's $1.5M, they go to a bank and the bank wants 30% down and they don't have the $450K to put down. So, they're effectively locked out of the market. What we've done is we've gone into the market on a product availability standpoint and we've gone to our capital market resources and we said...look, if we do a high loan-to-value number, say its 10% down, 90% loan-to-value, is that a loan that we can offset in the market, is there financing for it? For our borrower, there's absolutely financing for that product.

The second challenge around availability is debt to income threshold. Generally, banks require you to be under 43% debt to income to finance a mortgage. Again, it's very hard to do that in the context of buying non-conforming mortgages. We said, look, we'll go above that 43% debt to income threshold

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which is effectively what's called a non-qualified mortgage. Non-qualified mortgages are interesting because banks are very hesitant about financing and buying them but we were able to line up a relatively large warehouse financing for non-qualified mortgages, the first in the market that anyone has done and we started doing a pilot for our borrower base where they were able to do as little as 10% down for non-conforming loan amounts up to $3M without a DTI restriction.

Once we started educating people about this, the response has been overwhelming. We've just been doing this in California today, we've got about 125 mortgages in the pipe right now. We've funded already a very small number of that, but we're starting to fund a lot of that relatively quickly and people really appreciate that the product is there. They didn't know that the product was there before, they thought we're out of the housing market so what we've done is we've educated people they said, wow, I want to come in, I want to buy a house, I didn't think I could get this kind of a loan.

But the other piece that we've attacked is the experience. So if you think about a mortgage experience...For example, I re-fied my loan, I won't say with who, but it was with someone I used to be employed with (laughs) and I tried to re-finance my loan and it was a 40% loan to value. I had more on deposit at the institution than the loan amount and I was rejected to re-finance the loan that they already had. I called up the CFO who I used to work for and I said you realize you rejected me for a loan and he said, you know, this is ridiculous, it's everything that's wrong with mortgage, give me a couple of hours, I'll fix it. He called up a couple of hours later and he says, there's nothing I can do.

Peter: Wow!

Mike: What had happened was I went from a hedge fund salary to a start-up salary which is a pretty significant drop and while I still had enough income in the start-up to support the loan, they extrapolated what my income would be the following year which was something like -$500K (laughs) and they said, you know, you're not going to get the loan. They ultimately did give me the loan, but it was a very egregious process and then to add insult to injury, I had to sit in my house on a Saturday, have someone come over and have me sign 300 pages.

So we said there's got to be a better way to do this and we were hearing a lot of concern about folks competing with cash offers in markets like New York and San Francisco and Los Angeles, how difficult it was. And we looked at it and said, you know what, we've already underwritten these borrowers so we know what their free cash flow is, we know how much of a loan we can give them, all we really need to do is know where the property is. So we set up a structure where if you're an existing customer, it's as easy as if you're walking down the street, you see an open house, you can walk in, you like it and send us the address of that house. We'll do an electronic appraisal and commit an unconditional loan to you at that point in time, which is as good as cash. Now we're still end up doing a physical appraisal on the backend of the process but it won't effect the loan or the pricing and it's just something we need because otherwise we don't have access to the bank market. But effectively, we can get you a commitment to fund in less than a minute and then we can actually fund within ten days. That's the process that we're trying to put in place and just take a lot of the nuisance and the hassle and the fact

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that you need to answer tons of questions that aren't relevant or others they already know out of the equation and just make it a better experience.

People really started to resonate with that as well. We're in the process of gearing this up for other states. We're still doing California, but we're going to Pennsylvania, DC, New Jersey. The challenge is we'd really like to get to New York and Massachusetts, but those states are slightly harder from the licensing standpoint than the others that we're in. Remember, with SoFi we do everything through our own licenses so we don't have bank partnership.

i**Peter**: Right, right.

Mike: Consequently, in some circumstances it can take us a little longer to get in the markets, but we think the cost benefit is in our favor there.

Peter: How are these mortgages structured? Are these like 5-year ARMs, 7-year ARMs?

Mike: We're doing a combination, we're doing a 7/1 ARM, we're doing a 30-year fixed, we have an IO product as well and we're going to do a pure floating rate mortgage in the next month. The floating rate mortgage, if we can do this...I'll give you a scoop on what we're thinking about (laughs) but I don't know whether we're going to pull this off or not. But as we started thinking about higher LTV loans and we started thinking, you know, can we do a 90% LTV loan, what's the walkaway risk to the borrower? Obviously, we feel that we have alumni capital involved with some moral suasion to the guy that walked away or the person doesn't walk away as easily. We started thinking about: do we really want the loan to be recourse to the property or to the individual?

In a state like California, which is a single action state with no deficiency judgments, you know, generally lenders say, in fact, almost inclusively lenders say, we want recourse to the property. We actually think you probably in the circumstances of high LTV loans we wanted recourse to the individual. So what we're thinking about doing and this is still on the blackboard, but I think it's going to come to market relatively quickly if we can pull it off.

If you come to us and you want to mortgage, let's say, Peter Renton comes and wants a $1.5M mortgage, we might say, look, Peter, we'll lend you $1.5M, but it's to you. We're going to ensure you put the money into the property, but at that point the loan is to you. What that means is I don't care about the appraisal, there is no mortgage title, there is no escrow process, all these things disappear. I don't need your 1040s, I don't need your tax returns. I don't take any of those things now, but I certainly won't need them in this circumstance. I'll just lend you the money and I'm going to ensure that you, in fact, are going to buy a house with it and then I'm looking at your balance sheet and your cash flow sufficient to support the loan. If we can do this, this could be a game changer because it would dramatically reduce the hassle of the mortgage. It has the neat characteristic that if you decide to move, you can actually take the mortgage with you into a new house.

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There's some pretty interesting dynamics on this and this is where we'd like to go with the product. We're working with some of our bank partners and capital market partners to finance this and we think there's appetite for it. We think maybe by the fall, we'll have this product out there.

Peter: Well, that would be amazing. You've really got to have a lot of confidence in your borrower to do that kind of product, which obviously you clearly do, right?

Mike: Yeah and we're going into this eyes wide open so we certainly understand some of the ramifications. But take for example, I lend you $1.5M and the next day you file Chapter 7 bankruptcy and California Homesteading lets you take $100K of equity out of your home so I'm out $100K but the reality is if you went to a foreclosure process, it could cost me at least that much to foreclose on the property plus it will take me a lot longer to do it. If you actually look at all the different scenarios where you have bad actors on the borrowers' side, you generally don't end up in a worse position lending to the individual on recourse versus to the property,

Peter: Hmmm interesting, interesting. Well, I'd like to talk for a long time about that, but I want to move on. Before I let you go, I want to talk about something new that I just saw on your blog. I think it was just early this month or late last month and you were talking about going into unsecured consumer loans. I mean, are you going head to head with Lending Club and Prosper there? I mean, what's the deal? Can you tell us about that new product you're offering?

Mike: Yeah, we're definitely not competing with Lending Club and Prosper in this in the sense that while the product function is similar, the borrowers are very, very different. We're effectively offering unsecured consumer loans to our borrowers.

Again, this is opened up by the S&P rating so if S&P gives me a particular rating for the way that I underwrite and price student loans then if I'm doing the same thing for consumer loans, I'm going to get a similar rating on similar structure. What this has allowed us to do is for super prime borrowers offering very competitive rates. You're talking about APR's in the 6% handle with initial one year rates in the 1 to 3% range for borrowers where they have.....a lot of our borrowers have short term cash, either coming out of a professional program, they're getting their life started, they're buying a car. It's not so much [credit] card consolidation, which is the bread and butter for the Proper/ Lending Club folks and it's certainly not the 700 FICO borrower which is a great borrower, but it's not going to fit in the structure that we're doing. That being said, we've very quietly launched it, we didn't advertise it, there is no communication outside that we're actually doing a decent amount volume on that on a week to week basis.

Peter: Interesting, so what you're doing there...I mean, is this obviously preparing for another securitization down the road? With the S&P rating you said were going to be able to package other loans together, right?

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Mike: Yeah and what the S&P rating also did is it just further validated the credit and it opened up the bank market further for us. We've got our half a billion of bank participation commitments unfunded at this point and we know we can take larger transactions. The last securitization we did was $250M of senior, we can take larger transactions into the market supported by a higher loan volume that we've experienced this year so there's a virtuous cycle, it's very synergistic that it just opens up the general capital markets for us.

Peter: Can individual accredited investors participate in the mortgages and unsecured consumer loans? Is that a possibility today or going forward?

Mike: Yes, what we're doing right now is......the only thing we're offering our there is the perpetual preferred which will invest across all that stuff, but it's not a direct correlation to the underlying loan. It's really tied to the cohort default rate. We're trying to keep it relatively simple right now. What we're working on on the tech side behind the scenes is we're working on a more transparent marketplace. So where we'd like to see things in 12 months is we'd like to give total visibility into everything coming through the SoFi pipe and allow retail and institutional investors to bid into everything that comes through the pipe in discreet size chunks, to get capital providers like CapOne, for example, to provide leverage on this marketplace. To the extent that you want to lever your investment, there's leverage structure there, but the most important thing is to actually let the market set the price and what we do today is we're trying to create a marketplace, but we're not all the way there because when you think about a marketplace, the New York Stock Exchange, the fundamental premise that marketplace is supply and demand sets the price.

At SoFi we don't do that today, we say what the loan rate is then we take it to the market. Obviously, there's a little bit of back and forth to make sure that it's a clearing price, but we would like to be in a situation in 12 months where if someone wanted to bid higher on a University of Michigan loan versus a Stanford loan and reduce the rate, they'd be able to do that and that we'd let the market clear price across every product.

Peter: Interesting, so that's in your vision to really be a true marketplace for your investors?

Mike: Yeah, that's right and obviously, you can have grand ambitions to do that, but if you can't bring product to market there is no point even broaching the conversation. I think we're getting to a point where we got sufficient volume across the core product and we're also getting good volume pick-up on the newer products so we can bring a diverse set of credit to market across an interesting customer demographic that would attract interest for both retail and institutional.

Peter: So it sounds like you're still using the student loan as a vehicle to kind of enter for your customers to really enter into a relationship with SoFi. That's still going to be the vehicle that you're going to use.

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Mike: That right. To put it in context, this year we'll fund about a billion and a half of student loans and we'll do about $300M of mortgages. Next year, I'd like to do $2 Billion on student loans, but I'd like to do $2.5 Billion on mortgages.

Peter: Wow, so you feel......

Mike: We're kind of at that inflection point where we're starting to get acceleration on non-student loan core product that will become the new core product.

Peter: Interesting, so you've got a lot of runway obviously in both student loans, home mortgages. I mean, is this.....you've mentioned other loans, something that's in your product roadmap. What's your vision for SoFi, where are you taking this?

Mike: Sure, I think it's underpinned by the concept of a marketplace, but all we've talked about so far is as you know, we touched a little bit on the asset side of the equation, we talked about the liability side of the equation. We would like SoFi to be a comprehensive financial solution. It's sort of we're invoking the old Bedford Falls savings and loan from It's a Wonderful Life where you keep your capital local, it's within in effect the community that you care about, there's always a measurable social impact of everything that you do, whether it's the amount you save someone by refinancing or it's by helping someone get a job, but the premise is it's a local community, but it's built around a larger infrastructure that brings economies of scale to financial services so that you're not disadvantaged relative to banking at Wells Fargo or Bank of America or any of the other mega banks.

To do that, we need to attack both sides of the equation so I think it's pretty clear how we're attacking the lending side of the equation. What's in skunkworks force right now, but what's every important to us is how we attack the deposit side of the equation. We're not a bank, we don't have FDIC insurance so the way for us to build a structured deposit that is yielding liquid, checkable, cardable...that's an important step for us in the process of delivering a comprehensive solution. That's the step that will happen next year.

Peter: Hmm, but you're not going to become a bank.

Mike: We're not going to become a bank, but we would provide effectively bank-equivalent services.

Peter: Right, fascinating. This has been a really fascinating talk from my perspective. I really appreciate your time, Mike. Thank you very much and best of luck.

Mike: Thanks, Peter, it's always great to talk to you.

Peter: Okay, see you.

Wow, well, I hope you found that as interesting as I did. One of the things that I really appreciate about SoFi is that they are out there breaking new ground in this industry. They're doing things that have never

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been done before, whether it's an S&P-rated securitization of consumer loans, whether it's this new mortgage product that they have, they're doing things that are really innovative and with their strong management team, I think they're going to be a force to be reckoned with in coming years.

On that note, I will sign off. Thank you very much for listening and I'll catch you next time. Bye.

[closing music]

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