



Real Matters Shares Latest Mortgage Market Data and Operations Update

April 22, 2020

TORONTO--(BUSINESS WIRE)-- Real Matters Inc. ("Real Matters" or the "Company") (TSX: REAL), today shared the latest mortgage market data and provided an update on its operations.

Today, the Mortgage Bankers Association ("MBA") announced that mortgage applications were up 0.1% week-over-week, and up 70.0% year-over-year. Purchase applications were up 3.2% week-over-week and down 31.1% year-over-year. Refinance applications were down 0.8% week-over-week and up 225.3% year-over-year.

Real Matters continues to receive strong U.S. Appraisal and U.S. Title volume, higher than any week in 2019.

Long-Term and Near-Term Market Opportunity

We estimate that at least 14.5 million mortgage holders are incentivized to refinance with 30-year mortgage rates at 3.0% to 3.25%, and that it would take approximately two to three years to cycle through this volume. This estimate assumes that the U.S. mortgage industry has purchase and refinance underwriting capacity of approximately 2.0 to 2.5 million mortgages per quarter (based on pre COVID-19 levels), and that this capacity can increase by 20% annually starting in 2021. The 14.5 million estimate is based on 30-year mortgage holders who are current on their loans, who have credit scores of 720 or higher, hold at least 20% equity in their homes and who could reduce their current interest rate by at least 0.75% via a refinance. The two to three year time frame for cycling through the refinance market opportunity also accounts for the lender underwriting capacity that will be required to service a return to more normalized purchase mortgage activity in 2021.

Over the next two quarters, we believe that even with potentially higher unemployment, increased forbearance rates, constraints on non-conforming mortgage product availability and reduced property values, higher demand from eligible refinance candidates will continue to fill lender underwriting capacity. We believe that the ability of lenders to increase their underwriting capacity during COVID-19 remains the single biggest hurdle to industry growth.

Highly Engaged Field Professional Network

Real Matters' field professional networks continue to be highly engaged – delivering interior appraisals and closing mortgages across the United States while following social distancing principles.

"While we are taking additional precautions by wearing personal protective equipment, limiting surface contact by asking that all doors be opened and lights turned on prior to the inspection appointment, the reality is that appraisers don't need to come into contact with homeowners," said New York City-based licensed appraiser, David Roberts. "This crisis has demonstrated how critical the role of the appraiser is in performing full interior inspections to determine the value of a property – as most lenders are still requiring them. It's also emphasizing the importance of having a local market expert to analyze market conditions which is key to developing an accurate opinion of value."

"Our job is about helping people navigate through one of the most impactful financial transactions of their lives," said Charlotte, N.C.-based notary signing agent, Alexis Little. "Even under normal circumstances, this can be a very stressful life event. In today's environment, we're helping families find some stability during turbulent times. While we may be interacting with borrowers in new ways to ensure we're keeping everyone healthy and safe, from porches to driveways, we are playing a crucial role when people need us most."

Safe Space Appraisals and Closings

Several weeks ago, Real Matters launched Safe Space Appraisals and Safe Space Closings to support the field professionals on our network and to align with guidance provided by world health organizations as well as state and local authorities.

Safe Space Appraisals take extra precautions during interior inspections and use social distancing principles for the safety of all. These precautions include the use of personal protective equipment, limiting surface contact, physical distancing and eliminating face-to-face interactions.

Safe Space Closings are the same as mobile signings, except they use social distancing principles for the safety of all. These principles include employing physical distancing and taking extra precautions for document handling, document verification and visual confirmation.

About Real Matters

Real Matters is a leading network management services provider for the mortgage lending and insurance industries. Real Matters' platform combines its proprietary technology and network management capabilities with tens of thousands of independent qualified field professionals to create an efficient marketplace for the provision of mortgage lending and insurance industry services. Our clients include the majority of the top 100 mortgage lenders in the U.S. and some of the largest insurance companies in North America. We are a leading independent provider of residential real estate appraisals to the mortgage market and a leading independent provider of title and mortgage closing services in the U.S. Established in 2004, Real Matters has offices in Buffalo (NY), Denver (CO), Middletown (RI), and Markham (ON). Real Matters is listed on the Toronto Stock Exchange under the symbol REAL. For more information, visit www.realmatters.com.

FORWARD-LOOKING INFORMATION

This press release contains "forward-looking information" within the meaning of applicable Canadian securities laws. Words such as "could", "forecast", "target", "may", "will", "would", "expect", "anticipate", "estimate", "intend", "plan", "seek", "believe", "likely" and "predict" and variations of such words and similar expressions are intended to identify such forward-looking information, although not all forward-looking information contains these identifying words.

The forward-looking information in this press release includes statements which reflect the current expectations of management with respect to our business and the industry in which we operate and is based on management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that management believes appropriate and reasonable in the circumstances. The forward-looking information reflects management's beliefs based on information currently available to management, including information obtained from third party sources, and should not be read as a guarantee of the occurrence or timing of any future events, performance or results.

The forward-looking information in this press release is subject to risks, uncertainties and other factors that are difficult to predict and that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. A comprehensive discussion of the factors which could cause results or events to differ from current expectations can be found in the "Risk Factors" section of our Annual Information Form for the year ended September 30, 2019, which is available on SEDAR at www.sedar.com.

Readers are cautioned not to place undue reliance on the forward-looking information, which reflect our expectations only as of the date of this press release. Except as required by law, we do not undertake to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

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Source: Real Matters Inc.