



## Real Matters Issues Operations Update and Shares Latest Mortgage Market Data

April 15, 2020

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

Today, the Mortgage Bankers Association ("MBA") announced that mortgage applications were up 7.3% week-over-week, and up 59.1% year-over-year. Purchase applications were down 0.9% week-over-week and down 35.1% year-over-year. Refinance applications were up 10.1% week-over-week and up 192.0% year-over-year.

Over the last week, Real Matters' appraisal and title volumes remained strong – higher than any week in 2019.

Based on external data points and conversations with our clients to date, we have received the following market indications:

- Mortgage underwriting and processing pipelines are full despite the decline in purchase volume.
- Given current underwriting capacity constraints, lenders are implementing a number of strategies to manage the flow of incoming volume, including: adjusting interest rates, extending rate lock periods, tightening credit standards and reducing focus on non-standard mortgage products.
- Lenders are employing various strategies to shore up resources internally to support the mortgage origination channel, including: mandating overtime, creating incentives for employees, reprioritizing and deferring non-critical work, recruiting externally and using contractors where possible to create more capacity.
- Larger lenders, whether bank or non-bank, appear to be better positioned to manage through the short term COVID-19 impacts and build capacity compared with small monoline lenders.
- Lenders continue to request full interior appraisals for the majority of their mortgage orders, notwithstanding earlier guidance from regulators which temporarily allows for reduced scope appraisals due to COVID-19. Real Matters' field professional network continues to follow physical distancing principles and we have sufficient network capacity to complete these orders. Although we offer reduced scope appraisals, these are being used by our clients on a limited basis and they are largely neutral to Real Matters from a Net Revenue(A) dollar perspective.
- We have not seen any meaningful geographical shifts in order volumes for U.S. Appraisal and U.S. Title.

From an operations perspective, our team and field professional networks are performing well. Our clients continue to be satisfied with our turn-around times in U.S. Appraisal, we are meeting closing dates in U.S. Title and managing exceptions exceedingly well – demonstrating the resilience of our model and our ability to maintain our competitive advantage in this environment. From a sales perspective, with the exception of face-to-face client meetings, it has been business as usual. Our team continues to advance discussions with current and new potential clients, especially in our U.S. Title business.

As previously indicated, we estimate that at least 14.5 million mortgage holders are incented to refinance and that it would take approximately two to three years to cycle through this volume, taking into account a potential near-term slowdown in purchase volume, lender underwriting capacity due to COVID-19, and followed by an annual 20% increase in lender underwriting capacity.

Real Matters has a strong balance sheet with more than US\$80 million in cash as of December 31, 2019, and we have no debt.

### 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](http://www.realmatters.com).

### (A) Non-GAAP Measures

Net Revenue does not have a standardized meaning prescribed by International Financial Reporting Standards and is therefore unlikely to be comparable to similar measures presented by other issuers. Net Revenue is more fully defined and discussed in the Company's MD&A for the three months ended December 31, 2019, available on SEDAR at [www.sedar.com](http://www.sedar.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](http://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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