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Hot IPO funding trend fuels another big mortgage deal

By Susan Tompor (excerpt)
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Mat Ishbia, CEO of United Wholesale Mortgage, has a trademark, rapid-fire way of talking about his family-founded mortgage business. And the 40-year-old's approach to taking the Pontiac-based giant public is theoretically just as quick. ...

... Cheaper, faster, easier might also describe the complex, so-called "blank check" boom that's been fueling a large chunk of the sizzling initial public offering market in 2020.

With interest rates so low, there might not be a better time to refinance your mortgage — and take your mortgage company public.

Billionaire Dan Gilbert's Detroit-based Rocket Companies raised \$1.8 billion in early August in a more traditional IPO but one where Gilbert maintained control.

Now, the crosstown rival has plans for going public. ...

... IPOs have been hot in 2020 — raising more than \$70 billion for companies through late August — much of it through SPAC-related IPOs, according to Reuter's.

On Wednesday, for example, GoodRx Holdings — the app that helps consumers research prescription drug prices — saw its shares jump 50% in its first day of trading on the NASDAQ exchange.

"The market is good for IPOs right now," said David Kudla, CEO of Mainstay Capital Management.

"That may change with a market downturn, the election, economic downturn, or another event," Kudla said.

"SPACs are fast. So, it is a fast way to get your IPO to market," he said. "SPACs are quicker, more efficient, and getting more and more popular."

Kudla said United Wholesale Mortgage might want to move quickly because the housing market is the strongest that it has been in years.

"Mortgage rates are bumping along all-time lows," Kudla said.

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