

Blend Is Building a Future Where Proactive Finance Revives the Primary Banking Relationship



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In a market where the average household has about five different financial provider relationships, financial institutions have become eager to find strategies that incentivize consolidating financial products with just one financial institution.

That financial fragmentation has been driven largely by the rise of technology enabling innovative and intuitive financial products that empower customers to make more informed decisions and be more proactive about their financial health.

Blend Labs Inc. (NYSE: BLND), a data-driven banking software provider, says that financial institutions are at a crossroads where they either need to adapt to this new distributed reality or commit to incorporating new technologies in a way that improves the user experience and promotes loyalty. That's why it's developed a consumer banking platform that empowers banks to offer personalization, convenience and streamlined functionality to customers.

To Counteract Financial Fragmentation, Banks Must Embrace Proactive Finance

Proactive finance is one of the latest trends in banking. It's an approach that leverages data and technology to offer financial products based on a customer's behavior, current financial situation and other clues that can tell banks what kind of products that customer might need right now.

For example, when a homeowner's property value increases, the bank might reach out to let the customer know and then offer information and what next steps they could take based on that information – such as applying for a home equity line of credit or cash-out refinance to fund renovations or a down payment on a second home.

Blend is building toward a future in which banks could proactively send a mortgage preapproval, featuring a shortened list of the few options that most closely align with those specific customers – such as showing VA home loans to current or former military personnel or FHA and other low down payment options to first-time homebuyers.

While this future of proactive delivery is still in development, lenders are already leveraging Blend to minimize tedious data entry and maximize operational efficiency. The data foundation that will enable proactive finance is already hard at work simplifying application flows, pre-filling

information, and automatically validating data, freeing consumers and loan teams alike to focus on the things that matter most.

This approach upends the traditional transactional nature of banking in which banks wait for customers to make a direct request for a certain product or service before offering it. That kind of cohesive and streamlined proactive banking experience, Blend says, is the key to rebuilding that primary banking relationship with customers.

How Financial Institutions Are Leveraging Proactive Finance

As promising as proactive finance approaches are, the question of implementation remains a challenge. While some financial institutions are investing in data restructuring or implementing new staff training that emphasizes personalized service, it's not always enough.

Blend's [cloud-based software](#) offers a third approach to implementation: leveraging technology that can both anticipate and serve each customer's needs. For customers, the platform eliminates much of the manual work in filling out applications by allowing the bank to prefill forms using the data it already has on file. For banks, digital tools like Blend Income Verification and the remote online notarization platform cut a lot of the redundancies and delays in the application process so customers can get approved – and funded – faster.

Independent Bank Corp. (NASDAQ: INDB) subsidiary Rockland Trust Bank was able to shave [seven days](#) off the average application processing time for its customers, for example. Similarly, Blend helped **Bank of Montreal** (NYSEARCA: FNGU) subsidiary BMO Harris Bank cut [five days](#) off its mortgage and home equity application cycles.

In the future, the platform aims to offer banks the artificial intelligence (AI)-driven tools they need to create a more personalized and proactive banking experience by helping customers understand their current financial situation and sending the right offers at the right time.

That data and AI will strengthen the relationship between customers and banks by making it easier for customers to get all the financial services and support they need from a single institution and on a single, intuitive platform.

The proactive finance approach that Blend will make possible also allows banks to better anticipate a customer's needs so that they can send offers and recommendations that help that customer better understand what kind of options are available, including options they might not have known to ask about.

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independent mortgage banks—use Blend’s platform to transform banking experiences for their customers. Blend powers billions of dollars in financial transactions every day.

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