

The Consumer Should Be the Starting Point

Rethinking Mortgage Distribution for an AI-Enabled Future

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Executive Summary

Most conversations about the future of mortgage begin with the mortgage company we have today.

They ask how artificial intelligence will make loan officers more productive, reduce processor and underwriting work, automate document collection, improve decisioning, accelerate cycle times and lower the cost to originate.

Those changes matter. Many are already underway.

But they preserve a much bigger assumption:

The consumer still starts with the lender.

What happens when they don't?

Mortgage technology is becoming extraordinarily capable.

Financial data can increasingly be retrieved directly from permissioned sources. Income, employment and assets can be digitally verified. Credit and property information can be analyzed quickly. Pricing engines can evaluate executions across investors. Artificial intelligence can extract and validate loan data, automate portions of underwriting and reduce manual work across fulfillment. Banks, servicers and lenders alike can use increasingly sophisticated intelligence to identify borrowers who may refinance, move, consolidate debt or tap equity before those borrowers actively raise their hands. [1]

The mortgage ecosystem is becoming more intelligent. But most of that intelligence is still organized around an institution. A lender wants to acquire the consumer. A servicer wants to retain the consumer. A lead marketplace wants to match the consumer. A technology provider helps one of those institutions execute more efficiently.

What if those capabilities were organized around the consumer instead? Imagine a consumer entering a neutral mortgage marketplace once.

With permission, the information necessary to understand the consumer's financial position is retrieved from trusted sources. The opportunity can be evaluated, verified and substantially structured before the consumer selects a lender.

Then the direction of competition reverses. Instead of the consumer approaching lenders individually, lenders compete for the consumer's transaction. The marketplace does not sell preferential placement. The incumbent servicer does not automatically get first look. No sponsoring lender owns the relationship.

| *The consumer is the starting point.*

That is more than a faster mortgage process. It changes mortgage distribution. And that first marketplace is only the beginning.

If the platform delivers value, the consumer relationship can continue beyond closing without requiring the platform to become a permanent warehouse for every sensitive financial document. Market, property and other appropriate signals can indicate when something may be worth reevaluating. The consumer can authorize a fresh retrieval of current information when needed.

Over time, the marketplace can evolve from consumer-initiated shopping to consumer-side financial intelligence. Eventually, consumers may have intelligent agents optimizing their side of the transaction while lenders and capital providers have intelligent systems optimizing theirs.

Follow that progression far enough and the question gets larger still:

If technology can source, verify, structure, price and substantially risk-assess a mortgage opportunity before it reaches a lender, which functions will still require a traditional lender to sit between the consumer and capital?

That end state is farther away. The first shift is not. The technology stack is increasingly being built. The more important question may be who eventually sits at the center of it.

1. We May Be Asking AI the Wrong Question

The mortgage industry's AI conversation is largely an efficiency conversation.

How many loans can one loan officer handle? How much processor work can an agent perform? Can underwriting become increasingly exception-based? Can technology analyze documents, calculate income, communicate with borrowers, clear conditions and move a loan through fulfillment with fewer human touches?

These are worthwhile questions. Current technology development suggests the answers will increasingly be yes. AI-enabled mortgage platforms are already automating document processing, data extraction, decision support and other portions of loan manufacturing. [2]

But there is a transformation trap hiding inside the conversation. Anyone who has implemented a major new technology platform has seen some version of it: a company buys a better system and immediately begins recreating its existing process inside it. Map the current workflow. Configure the new technology around it. Automate a few steps. Call it transformation. The result may be faster. It may be cheaper. But it is still fundamentally the same process.

The more important question is:

If we were designing this process today, using the technology available today, would we design it this way at all?

We should ask the same question about mortgage distribution. If we begin with today's mortgage company and ask where AI fits, we may build an extraordinarily efficient version of today's mortgage company. That doesn't necessarily tell us what the mortgage ecosystem should become.

2. The Current System Begins With Institutional Access to the Consumer

Mortgage has many distribution channels, but most begin with the same event. The consumer enters someone else's ecosystem: a loan officer, a broker, a bank, a mortgage lender, a Realtor relationship, a lead marketplace, a servicing portfolio, a search result, a marketing campaign. Then the institution begins determining what the consumer needs, what they qualify for and what the institution can offer.

That starting point has enormous economic value. It is why lenders spend heavily on customer acquisition, why successful loan officers with strong referral relationships command significant compensation, why servicing portfolios have become strategic origination assets, why recapture rates matter, and why lead generation, CRM nurture, trigger marketing, Realtor partnerships and direct-to-consumer marketing remain so important. When access to consumer demand is scarce, controlling the point of entry becomes a competitive advantage.

Technology can change that equation. Not because consumers will stop needing mortgage providers.

But because the consumer could control access to a substantially formed transaction instead of providers controlling access to the consumer.

3. Mortgage Marketplaces Already Exist. The Next Step Is Bigger.

Consumer mortgage marketplaces are not new. Existing platforms already allow consumers to enter information and compare offers from multiple lenders. Brokers have shopped borrowers across multiple lenders for decades. Some newer consumer-facing services explicitly position themselves as mortgage-shopping or comparison platforms rather than lenders. [3]

That matters. The argument for a consumer-centered future should not pretend mortgage comparison shopping has not already been invented. The more interesting question is:

How much of the mortgage transaction can exist before the lender enters it?

Today's comparison experiences vary considerably, but many still begin with some version of:

Consumer indicates interest → platform identifies or compares providers → lender takes over → lender verifies and manufactures transaction

A more fully consumer-centered architecture moves significant work earlier:

Consumer → permissioned data → verification → analysis → transaction structure → neutral marketplace → competing providers → selected execution

That distinction is fundamental. This is not merely sending the same lead to several lenders. It is not simply publishing rate comparisons. And it is not a broker manually shopping a file. The opportunity becomes a structured unit of demand.

The lender is no longer primarily competing to get access to the person first. The lender is competing to win the transaction.

Exhibit A

Today's Mortgage Distribution vs. a Consumer-Owned Marketplace

TODAY



The lender enters early and controls how the consumer's opportunity is priced, shopped, and structured.

REVERSED



The consumer's opportunity is verified and structured before any lender is in the room. Lenders compete for it, not the other way around.

The lender is no longer competing to get access to the person first.

The lender is competing to win the transaction.

4. Neutrality Is the Center of Gravity

Putting the consumer at the center only works if the marketplace is genuinely neutral. Neutrality therefore cannot be a feature added later. It has to be structural.

Neutrality does not mean every provider receives equal economics or every consumer sees every lender. Eligibility, risk appetite, product availability, price, execution capability, licensing, and geography will naturally narrow the marketplace. The marketplace may determine which qualified providers are eligible to compete for a particular transaction; it should not determine which competing provider the consumer ultimately selects. Neutrality means those factors, not payments for placement, determine who competes and how options are presented.

A platform is not meaningfully consumer-centered if providers can buy better ranking. It is not neutral if the incumbent servicer automatically gets a privileged opportunity, if a sponsoring institution

determines which alternatives the consumer sees, or if the economics of the platform cause its agent to recommend the transaction that produces the greatest platform revenue.

This is not merely a philosophical concern. The CFPB has specifically addressed digital mortgage comparison-shopping platforms under RESPA Section 8, including circumstances in which compensation may influence provider presentation or steer consumers toward higher-paying participants. [4]

A consumer-centered marketplace therefore needs a governing architecture built around three principles:

The consumer owns the relationship. The platform orchestrates the marketplace. Providers earn the transaction.

Providers may pay legitimate participation or transaction-related fees depending on the legal and economic structure ultimately used. But paying the marketplace cannot become paying for the consumer. That raises one of the most difficult questions in the model: who pays the consumer's agent? A consumer subscription could create strong alignment but may create adoption friction. Provider-funded economics can lower or eliminate direct consumer cost but create potential conflicts. Standardized provider fees could reduce differences in incentives but would still require careful regulatory design.

Other revenue structures may develop as the platform expands. One structure worth testing would be a standardized fee paid by the selected provider for defined marketplace, data-transfer or transaction services, fixed independently of whether the loan ultimately closes. Whether such a structure would be permissible under RESPA would depend on the actual services performed, consumer-selection mechanics, economics and full facts of implementation. The label placed on the fee would not determine the regulatory outcome.

There is no reason to pretend the full answer is obvious. The important principle is simpler:

If the platform claims to work for the consumer, its economics must be designed so that doing nothing can be as valid a recommendation as completing a transaction.

Neutrality cannot just survive the marketing department. It has to survive the business model. Neutrality also cannot stop at lender selection. If the marketplace participates in selecting data, verification or other infrastructure providers, commercial relationships with those providers cannot be allowed to determine what is used in ways that disadvantage the consumer or distort provider competition.

5. Neutrality Has Two Layers, Not One

Everything above describes marketplace neutrality — a structural claim about the platform's business model. No pay-for-placement, no steering, no privileged incumbent, no revenue relationship that rewards recommending the wrong provider. That layer is governed primarily by RESPA Section 8. It is a question about who profits, and how.

There is a second, different layer: model neutrality. Once AI is doing the verifying, scoring, structuring or recommending, the question is no longer only who gets paid — it's whether the model itself treats similarly situated consumers similarly. A model can be flawless on compensation and still produce disparate outcomes across protected classes because of biased training data, a proxy variable nobody caught, or an objective function that was never examined closely enough. That risk is governed by ECOA and Regulation B, and it calls for a different toolkit entirely: fair-lending testing, disparate-impact analysis, explainability and ongoing model governance, not disclosure of compensation arrangements. [7]

These two layers can fail independently, and each can hide the other's failure. A marketplace can be scrupulously neutral on compensation — no provider pays for rank, no incumbent gets first look — and still run on a model that systematically underserves certain borrowers, with no one on the economics side ever noticing, because nothing about that failure shows up in who is getting paid. Conversely, a model can be well-tested and fair on paper while sitting inside a marketplace whose fee structure quietly rewards steering consumers toward whichever provider pays the platform most — a failure the model itself would never flag, since auditing the business model it sits inside was never its job.

A consumer looking at a clean, confident recommendation cannot tell which kind of neutrality, if either, actually held. That is exactly why both layers have to be designed and audited separately rather than treated as one problem solved by one fix.

Marketplace neutrality is a business-model and disclosure question. Model neutrality is a data, testing and governance question. A platform that has only solved one has solved half the problem.

6. The Stack Is Increasingly Available

Why hasn't this happened already at scale? Pieces of the model have existed for years. Mortgage marketplaces exist. Brokers have long shopped lenders. Consumer-permissioned data has been developing. Verification has become increasingly digital.

But those capabilities developed largely as separate layers of the ecosystem and around different economic principals. Comparison marketplaces monetized consumer demand. Lenders and servicers invested in acquiring and retaining it. Technology providers built infrastructure for institutions.

What is changing is not one capability but the ability to orchestrate many of them. Direct-source data, digital verification, increasingly automated loan manufacturing and intelligent agents make it more

plausible for significant transaction formation to occur before a lender is selected. The opportunity may therefore be less about inventing a missing technology than assembling existing and emerging capabilities around a different principal: the consumer.

The technology is not the only thing changing. Consumer expectations of financial relationships are changing with it. Younger consumers appear more willing to move among financial providers and more comfortable using multiple providers, sharing financial data when there is a clear value exchange, and allowing technology to help them compare and manage financial decisions. Recent research also suggests growing openness to AI-enabled financial guidance. [10] [11]

That matters because a consumer-centered mortgage marketplace does not require consumers to reject traditional financial institutions. It requires something simpler: a willingness to separate the financial relationship from the institution providing a particular product. The lender can still be trusted. The servicer can still be valuable. The loan officer can still matter.

They just don't have to own the starting point.

One of the strongest arguments for this model is that much of its enabling technology no longer needs to be imagined. Consumer-permissioned asset information can already be retrieved directly from financial institutions. Income and employment data can increasingly be obtained directly from payroll and employer sources. Credit and liability information can be digitally retrieved and analyzed. Property data and automated valuations are widely available. [1] Mortgage lenders already use sophisticated product and pricing infrastructure to evaluate executions across investors. AI mortgage platforms increasingly perform document classification, extraction, validation and loan-decision support. Institutional mortgage technology networks increasingly connect origination, servicing, data, verification, partner services and investors. [5] Servicing intelligence is also evolving rapidly — predictive systems can combine credit, property and equity information, consumer and life-event signals, shopping behavior and other indicators to help servicers identify borrowers likely to refinance, obtain home equity, consolidate debt, move or otherwise transact. [6]

The broader implication is bigger than any one vendor. The industry is increasingly capable of knowing who may transact, why they may transact, what their property may be worth, how their credit profile is changing, whether they may be shopping, what products may fit, what executions may be available, and how to move the resulting loan through manufacturing with dramatically less human intervention. Those capabilities are currently fragmented across providers and generally deployed for institutional objectives.

The opportunity is to orchestrate them around a consumer objective.

There is another reason to reconsider the architecture: cost. Mortgage has accumulated layers of specialized technology, data, verification, compliance, fraud prevention and risk management. Many

solve legitimate problems and create value individually. But optimizing every component does not necessarily optimize the economics of the system as a whole.

A different architecture creates the possibility of moving some activities upstream, performing others once rather than repeatedly, and potentially eliminating work that exists primarily because of the way today's process is structured. The cost of that complexity ultimately becomes part of the economics of originating a mortgage, whether it appears as technology expense, labor, compliance infrastructure, risk management, vendor expense or some combination of them.

Portability does not necessarily mean moving every lender-specific verification or decision product upstream. The more durable layer may be the consumer's permissioned source data, its provenance, when it was obtained, and the information derived from it. That information could support analysis, preliminary structuring and marketplace competition before a provider is selected, while lender-, investor- or product-specific outputs are generated only when they are actually required.

That distinction matters. A credit score, AVM, income verification or other vendor-generated output may be acceptable to one provider and not another, even when the underlying information is substantially the same. Moving today's entire verification stack upstream would risk recreating the same duplication in a different place rather than eliminating it.

The objective is not necessarily to make every component portable. It is to make enough of the transaction portable that changing providers does not require rebuilding it from the beginning.

How much of that information can actually travel with the transaction remains an important constraint to test. Technical portability alone is insufficient — lenders and investors may have different data standards, vendor requirements, model preferences, freshness requirements, representations and warranties, contractual relationships and risk tolerances that affect what they can, or choose to, accept.

But the opportunity is larger than faster or cheaper mortgage manufacturing. It is asking how much of today's cost structure would need to exist at all if the transaction were designed differently.

7. The Same Intelligence Can Serve Opposite Principals

Consider a homeowner whose financial circumstances are changing. They have accumulated substantial revolving debt. Their property has appreciated. Their credit profile has improved.

A traditional lender or servicer with strong predictive intelligence may recognize that this consumer has a high propensity to obtain a HELOC or cash-out refinance. The institutional question becomes: how do we reach this borrower before someone else does?

A consumer-side agent asks something different: should this household do anything at all?

The underlying data may be nearly identical. The objective function is not.

A lender's intelligence should optimize the lender's business within applicable obligations. A servicer's retention technology should help the servicer retain valuable customers. There is nothing inherently wrong with either. But consumers increasingly face sophisticated institutional intelligence while representing themselves.

That asymmetry may not last.

8. The Platform Does Not Need to Become Another Data Warehouse

A consumer-centered relationship does not require permanent possession of the consumer's entire financial life. That distinction should be designed into the architecture from the beginning.

Mortgage requires extremely sensitive information: income, assets, employment, credit, tax information, property information, government identifiers, financial account information. The easiest technical approach is often to collect it all and store it. That also increases privacy, cybersecurity and operational complexity and creates an increasingly valuable target for attack.

A different architecture can begin with a principle of data minimization. At the transaction level:

Permission → Retrieve → Verify → Analyze → Transmit → Minimize or delete where legally permissible

The platform should retrieve only what is needed for the job being performed. Direct-source data can reduce unnecessary document handling. Verified information can move downstream to the selected provider. Some information will necessarily require retention for consent, audit, regulatory, fraud, security or operational reasons. Minimal retention therefore does not mean zero regulatory or cybersecurity responsibility — it means not building a permanent financial-data warehouse simply because technology makes one possible.

The design principle is: persistent relationship, permissioned access, minimal retention.

9. A Practical Path: Start With the Transaction

The eventual vision of an intelligent financial agent creates an obvious consumer-adoption question: why would someone give an unfamiliar company broad access to their financial life before receiving anything valuable in return? They probably shouldn't.

That argues for starting with a problem the consumer already knows they have. Mortgage. The consumer wants to purchase a home. Refinance. Access equity. Restructure debt. At that moment the value exchange is clear:

Help me understand my options and make providers compete for my business.

That creates a practical evolutionary path.

Phase 1: Consumer-Initiated Neutral Mortgage Marketplace

The consumer initiates the process. The consumer's objectives are understood. With the consumer's permission, the platform retrieves available financial and property information from authoritative or appropriately validated sources and assembles a structured transaction profile sufficient to identify and compare relevant options. Where verification can reasonably occur upstream and remain useful across participating providers, it can be performed before lender selection; provider-, investor-, or product-specific requirements can remain downstream until they are necessary.

Eligible providers compete. The consumer selects the provider. Personally identifiable information and source documents are exposed only to the extent required at the appropriate stage. The selected provider handles the regulated execution and fulfillment functions required of it.

This phase does not depend on a futuristic autonomous agent. It can provide standalone consumer and provider value. Structuring the marketplace around standardized transaction characteristics rather than immediate access to the consumer may also reduce some opportunities for subjective treatment early in the process. Just as importantly, a digital marketplace could create a more consistent record of which providers received an opportunity, what criteria were applied, what offers were returned and why an opportunity did or did not proceed. That would not eliminate fair-lending risk, but it could make outcomes more transparent and auditable.

Phase 2: Keep the Relationship, Not Necessarily the Documents

After closing, the marketplace relationship does not need to disappear. The consumer can elect to maintain an account and relevant preferences, goals, prior transaction context and permissions. But the platform does not need to maintain a continuously updated warehouse of sensitive financial documents. When another evaluation becomes appropriate, the consumer can authorize fresh access. Mortgage becomes the acquisition event.

The relationship becomes persistent even when access to underlying financial data is not.**Phase 3: Proactive Consumer Intelligence**

Eventually, the consumer should not have to be the one continuously watching for the reason to return. Certain market or property signals can indicate that something may be worth reevaluating without first performing a complete refresh of the consumer's financial data — rates move materially, property value changes, a known loan event approaches, or other appropriately sourced signals suggest circumstances may have changed. The agent can ask:

Something changed. Would you like me to check whether it matters for you?

The consumer authorizes current data access. The platform retrieves only what is necessary. Then the recommendation may be: proceed, wait, consider another structure, or do nothing. If action is warranted, the consumer authorizes another marketplace event and providers compete again.

Phase 4: Agent-to-Agent Commerce

Mortgage institutions are already deploying increasingly sophisticated automation. There is little reason to assume only institutions will gain intelligent agents. The future marketplace may therefore become:

Consumer agent ↔ neutral marketplace ↔ provider agents

The consumer agent understands the household's objectives and constraints. Provider systems understand credit policy, pricing, capital, risk appetite, products and execution capabilities. The marketplace creates structured competition between them. Humans remain exactly where Section 12 argues they remain valuable — judgment, complexity, negotiation, trust — not in the routine comparison and administration a marketplace can already standardize.

Phase 5: Direct Access to Capital

The longest-term evolution raises a more fundamental question. If a transaction can eventually arrive already sourced, permissioned, verified, structured, priced and substantially risk-assessed, does every function currently bundled inside a traditional lender have to remain bundled there? That question is considerably more complicated than the marketplace itself — licensing, regulatory responsibility, funding, agency requirements, representations and warranties, servicing, counterparty requirements and capital-markets infrastructure all matter. But those are functions. The existence of those functions does not necessarily establish that they must forever be performed together by an organization that looks like today's mortgage lender.

The first generation of the marketplace asks: which lender should win this transaction? A later generation may ask:

Which capital provider wants this risk at these economics, and what regulated infrastructure is necessary to connect the two sides?

Distributed-ledger or tokenized capital-markets infrastructure could eventually provide one mechanism for connecting structured mortgage assets with capital, although the consumer-marketplace architecture described here does not depend on blockchain or tokenization. [12] That future begins to look less like mortgage lead generation and more like an exchange for consumer credit. It is not a near-term implementation plan. It is where the logic of unbundling eventually leads.

10. Recapture Changes When the Consumer Owns the Starting Point

Servicing provides valuable access to borrowers. That access has become increasingly important as lenders attempt to capture subsequent refinances, purchases and home-equity transactions. Modern recapture technology can help servicers identify borrower intent before the borrower actively leaves the portfolio. [6]

But the word recapture contains an interesting assumption: that the consumer's next transaction was somehow ours to recapture.

A consumer-centered marketplace changes that framing: the lender does not own the consumer's next transaction, the servicer does not own it, the loan officer does not own it, and the marketplace itself does not own it either. **The consumer owns the relationship**, for the same reason laid out in Section 4.

Portability is what makes that principle operational rather than aspirational: if the consumer's permissioned data and transaction context can move with them, changing providers stops meaning rebuilding from scratch (Section 6 covers what actually has to travel for that to work), which reduces switching friction and forces providers to compete on the transaction itself rather than on control of the prior relationship.

An incumbent can still have meaningful advantages. A lender that delivered an exceptional experience may have earned trust. A servicer has intimate knowledge of the existing loan. An LO may have built an important human relationship. Those advantages should matter. But they become reasons for the consumer to select that provider again rather than structural claims on the next opportunity.

In this model, retention is earned.

11. Customer Acquisition Economics Could Shift Toward Execution

Section 2 already described where mortgage acquisition spend goes — leads, advertising, referral and servicing relationships, trigger marketing, recruiting, direct mail, digital and CRM nurture, affinity relationships. A consumer marketplace changes the economic unit providers are competing for.

Instead of acquiring a consumer who may transact, the provider competes for an authorized, structured transaction supported by verified data appropriate to that stage. That is a different asset. A provider may be willing to pay meaningful marketplace economics for that opportunity if the marketplace removes enough acquisition expense and pre-origination labor.

This is why the model should not be described simply as hostile to lenders. It redistributes competitive advantage. Large institutions that derive enormous value from controlling distribution may dislike that change. But smaller or specialized providers could benefit. If providers compete later in the funnel, after more of the consumer's circumstances and transaction characteristics are known, some acquisition

economics may also shift away from paying for volume that never becomes viable mortgage demand, 'fall-out.'

A lender without a national marketing budget may have excellent capital. Another may have outstanding jumbo execution. Another may specialize in complex self-employed borrowers. Another may have better pricing for a particular profile. A neutral marketplace gives them a way to compete on those capabilities without first winning the consumer-acquisition arms race.

The economic shift is potentially: less value in controlling access, more value in earning execution.

12. What Happens to LOs and Brokers?

One of the most emotionally charged versions of the AI conversation keeps asking whether loan officers disappear. That is probably the wrong starting point too. In the near term, licensed mortgage professionals will still be required for activities that law and regulation assign to them, even as technology changes how much work reaches them and when they enter the process.

The better question is: what are we paying humans to do?

AI does not necessarily eliminate human value. It exposes where human value actually is. If technology increasingly handles searching, monitoring, data collection, verification, routine comparison, preliminary structuring, status communication and transactional administration, then human value moves toward judgment, complexity, advocacy, exceptions, problem solving and trust.

The LO may not disappear. But the role continues to move toward the work where human judgment creates the most value. Some originators could handle far greater volume. Some compensation may compress as work becomes automated. Elite advisors capable of solving complex problems may become more valuable. Highly transactional roles may become less valuable. The eventual answer will probably vary significantly by channel and borrower complexity.

Brokers are especially interesting. Their core proposition already includes shopping multiple lenders, so they are in some ways closer to a marketplace future than captive retail originators. But technology can increasingly perform the shopping component itself, which makes access to many lenders less differentiating by itself.

| *The value that remains is the part technology cannot reliably commoditize.*

13. Regulation Is Architecture, Not an Afterthought

This model does not eliminate regulatory complexity. In several areas, it makes regulatory design one of the most important product decisions.

Digital mortgage marketplaces already operate inside RESPA constraints around provider compensation, neutral presentation and steering. [4] If consumer-side AI influences credit or credit recommendations, ECOA and Regulation B remain relevant — fair-lending testing, model governance, explainability and discrimination risk become increasingly important as automated models take on more decision-making roles. [7]

These map directly onto the two layers of neutrality described in Section 5: RESPA is central to marketplace neutrality; ECOA and Regulation B are central to model neutrality.

Consumer-permissioned financial data is also moving toward a broader open-banking framework in the United States, though that framework is currently in flux. The CFPB's Personal Financial Data Rights rule under Section 1033 established a right for consumers to access covered financial information and authorize third parties to retrieve it on their behalf. That rule is currently enjoined by a federal court and under CFPB reconsideration, leaving its ultimate scope, timeline and enforceability uncertain. [8] The underlying policy debate increasingly recognizes consumer-controlled data access, while the governing framework remains actively contested and unresolved.

A real marketplace would need to answer questions including: Who legally represents the consumer? When is the platform acting as a mortgage broker? Which activities require state licenses? What constitutes an application? How can provider compensation be structured without compromising neutrality? When does an AI recommendation become regulated origination activity? Which entity is responsible for erroneous recommendations? How are adverse actions handled? What information may legally be used? How are fair-lending outcomes monitored? How does consent work, and how does the consumer revoke it? What must be retained, and what should be deleted? How are marketplace algorithms audited? Who is accountable when multiple automated systems participate in one transaction? Which underlying data, verifications, model outputs, representations and warranties can travel with the transaction, under whose standards, and which must be independently generated or recreated by the selected provider? What level of portability is actually necessary for the model to create meaningful economic and consumer value? How should data and verification providers be selected without allowing commercial relationships or vendor economics to compromise marketplace neutrality?

Those are not reasons to stop exploring the model. They are reasons not to pretend this is simply a software problem.

14. What Could Kill the Model?

A compelling future-state architecture still has to survive reality. Several things could prevent this model from reaching scale.

Neutral Economics

If the consumer will not pay directly and providers fund the marketplace, the economics must be structured without creating compensation-driven steering. This may be one of the hardest design problems in the entire model. (This is the marketplace-neutrality risk described in Section 4.)

Consumer Trust

Consumers must trust an independent platform enough to authorize access to extremely sensitive information and rely on recommendations involving one of the largest financial decisions of their lives. That trust cannot be assumed simply because consumers are becoming more comfortable with technology. It has to be earned.

Marketplace Liquidity

Consumers will not come to a marketplace with too few providers. Providers will not invest deeply in a marketplace with too few consumers. The two-sided-market cold start is real.

Incumbent Economic Resistance

The model threatens more than existing workflows — it could weaken economic advantages embedded in today's distribution system. Servicers, lenders, lead generators, technology and data providers have built businesses and commercial relationships around customer acquisition, portfolio access, proprietary data, repeat engagement and other features of the current architecture. Greater consumer control and transaction portability could weaken some of those advantages even if the model improves consumer outcomes or reduces system-wide cost. This creates a significant adoption challenge: the institutions whose participation may be necessary to create marketplace liquidity may also be among those with the most to lose if the model succeeds.

Verification and Transaction Portability

Consumer control of financial information does not guarantee that every provider can or will rely on the same data, verification or model outputs, for the reasons Section 6 already covers. If substantial portions of the transaction must be regenerated after provider selection, the model loses some of its economic and experiential advantage — and still has to demonstrate that enough portability is achievable in practice, not just possible in theory.

Insufficient Economic Advantage

A different architecture is not valuable simply because it is different. If upstream transaction formation, verification, marketplace orchestration and regulatory infrastructure merely relocate existing costs rather than eliminate enough duplication, acquisition expense, fallout or labor, the model may not create sufficient economic advantage to justify adoption. The marketplace itself could become another layer of cost and complexity rather than a mechanism for removing them.

That risk compounds if the marketplace's own revenue depends primarily on fees collected only when a provider is selected. The marketplace incurs cost assembling, verifying and structuring a transaction

profile for every consumer who uses it, whether or not that consumer ultimately selects a participating provider. If revenue is realized only on the subset that converts, the marketplace bears the same loading dynamic it is trying to remove from lenders: cost spread across every attempt, revenue collected only on the ones that close. Low portability makes this worse, not better. Whether that dynamic can be addressed through subscription revenue, fees not contingent on selection, or some other structure is part of what the model would have to prove out, not something this paper can assume away. The model therefore has to demonstrate measurable improvement in the economics or experience of the transaction, not merely technical feasibility.

Regulatory Complexity

Mortgage is not ride sharing. Licensing, fair lending, RESPA, FCRA, privacy, capital-markets requirements, representations and warranties and numerous state and federal obligations shape what can actually be done.

Marketplace Fragmentation

A consumer-centered model becomes less powerful if demand fragments across numerous incompatible marketplaces, each with different transaction standards, integrations and provider networks. Without sufficient interoperability or consolidation, the industry could recreate today's fragmentation at a new layer rather than creating a truly portable market for mortgage demand.

Consumer Inertia

Being offered a better financial option does not guarantee a consumer will act. The platform has to make the benefit understandable and the transaction easy enough to overcome inertia.

AI Reliability

Mortgage contains edge cases, ambiguous documents, unusual income, layered regulatory requirements and high consequences for mistakes. Current AI performance does not justify blindly removing accountable human review from every function. [9] (This is the model-neutrality risk described in Section 5 — a separate failure mode from the economics above.)

The Risk of Becoming What It Replaces

Perhaps the most important risk is success. A large consumer marketplace with substantial demand would become enormously valuable to providers, who would have powerful incentives to buy access, ranking or influence. If the marketplace eventually becomes another institution selling the consumer to the highest bidder, the architecture has failed even if the company succeeds financially.

Neutrality has to be protected as the platform scales.

15. The Real Competition May Be Over the Center of Gravity

Mortgage technology is moving quickly. Institutions are gaining better intelligence. Servicers can increasingly anticipate borrower behavior. Lenders can automate more manufacturing. Data networks are becoming more connected. Consumers can already compare providers through digital marketplaces.

The next strategic battle may therefore not be over who builds the best individual tool.

It may be over who becomes the organizing layer.

Will the consumer still live inside the lender's ecosystem? Will the servicer continue to capture more of the consumer's next transactions through recapture? Will a lead marketplace own the introduction? Will a broker remain the human orchestration layer? Will a technology network connecting lenders, providers and investors become the dominant infrastructure? Or will an independent consumer-side layer sit above them and decide when the rest of the ecosystem gets invited in?

The answer determines where enormous amounts of economic value sit, because whoever controls the starting point influences everything downstream.

Conclusion: The Question for the Industry

The mortgage company of the future may indeed employ fewer people. Loan officers may become dramatically more productive. Processors may increasingly manage exceptions instead of files. Underwriting may become faster and more automated. Servicers may predict borrower behavior with extraordinary accuracy.

Those changes matter. But they may still represent evolution inside the existing system.

The more disruptive possibility happens one step earlier:

The consumer no longer has to start with the lender.

The technology needed to begin moving in that direction is increasingly available. The comparison-shopping concept already exists. Permissioned data exists. Verification exists. Property intelligence exists. Pricing infrastructure exists. Predictive intelligence exists. Automated manufacturing increasingly exists.

What remains to be assembled is a broader consumer-side architecture that combines those capabilities around a different objective:

Put the consumer at the center, build neutrality into the marketplace, and make providers compete for the transaction.

From there, the architecture can evolve — from shopping to orchestration, from a transaction to a relationship, from consumer-initiated action to permissioned proactive intelligence, from human-to-

institution shopping to agent-to-agent commerce, and eventually, perhaps, from a lender marketplace toward a capital marketplace.

The question worth asking now is simple:

If we were designing mortgage distribution today, using the technology available to us now, would we still make the consumer start with the lender?

I don't think we would. And that may be where the more interesting future of mortgage begins.

About the Author

Karen Postiglioni is a consumer lending and fintech executive whose career spans mortgage origination, capital markets, operations, product, technology transformation, customer experience and portfolio retention. She has led large-scale consumer lending organizations and has spent much of her career redesigning how lending businesses work across sales, fulfillment, technology and retention. Her work has consistently focused on simplifying complexity, eliminating unnecessary cost and friction, and redesigning the customer journey to put the consumer in a better position — with a better experience, better choices and better financial outcomes — while building stronger, more efficient businesses around them.

Research Notes

[1] Existing mortgage technology stack. Consumer-permissioned financial data, direct-source verification, automated property information, mortgage pricing infrastructure, predictive borrower intelligence and AI-driven mortgage manufacturing are already commercially available across multiple providers: Plaid (consumer-permissioned financial and asset data); Argyle and Truv (consumer-permissioned payroll, income and employment data); Xactus (credit and mortgage verification services); Cotality, formerly CoreLogic (automated property valuation); Optimal Blue (product pricing and investor execution); TRUE (document and mortgage-manufacturing automation); ICE Mortgage Technology (origination, servicing and investor connectivity); Altair (predictive borrower and recapture intelligence).

[2] AI mortgage manufacturing. Companies including TRUE and Better are developing or deploying AI-enabled mortgage decisioning and manufacturing capabilities.

[3] Existing consumer marketplaces. Own Up and LendingTree demonstrate that consumer-facing multi-lender mortgage comparison already exists. The relevant next question is how much farther consumer-side orchestration can extend before lender selection.

[4] Marketplace neutrality and RESPA. CFPB guidance addresses circumstances in which compensation to digital mortgage comparison-shopping platforms can create prohibited referral or steering arrangements under RESPA Section 8. CFPB advisory opinion on digital mortgage comparison-shopping platforms (February 2023).

[5] Connected mortgage infrastructure. ICE Mortgage Technology demonstrates the increasing integration of origination, servicing, data, technology partners and investor connectivity inside the institutional mortgage ecosystem.

[6] Predictive servicing intelligence. Altair's Recapture Engine describes predictive borrower intelligence across credit, property/equity, life-event and shopping signals and organizes its approach around predicting, monitoring, acting and measuring recapture.

[7] AI and credit decisions. CFPB guidance has made clear that ECOA and Regulation B obligations continue to apply when creditors use complex algorithms and AI in credit decisions. CFPB guidance on AI and credit decisions.

[8] Consumer-permissioned financial data. The CFPB's Personal Financial Data Rights rule under Section 1033 established a framework for consumer-authorized access to financial data. As of this writing, the rule has been enjoined by a federal court and is under CFPB reconsideration; its ultimate scope, timeline and enforceability remain unresolved. CFPB Personal Financial Data Rights; Federal Register: Personal Financial Data Rights Reconsideration.

[9] Current AI limitations. Recent mortgage-specific benchmarking has found meaningful accuracy and bias limitations in state-of-the-art AI systems, reinforcing the need for accountable human and model-governance layers in high-stakes lending decisions. MortarBench research.

[10] Younger consumer data-sharing behavior. Deloitte's 2026 U.S. banking research found that Gen Z and millennials have the highest switching risk among generations and that nearly 70% of surveyed millennials and Gen Z have authorized their banks to share data with other financial providers. The research also found that younger consumers increasingly expect flexibility to integrate apps, compare offers and automate financial tasks across platforms. Deloitte Center for Financial Services, "Gen Z and millennials are more alike than banks may assume" (February 2026).

[11] Consumer openness to digitally enabled financial relationships. EY's 2025 consumer banking research found that 62% of Gen Z consumers were considering changing their primary banking relationship and 68% of consumers were open to AI-driven financial-planning guidance. EY, "Strategies for success in building consumer trust in banks today" (2025).

[12] Tokenization and capital-markets infrastructure. BIS research and policy work describe tokenization and distributed-ledger infrastructure as emerging mechanisms for representing and transacting in financial and real assets, while emphasizing that the technology remains early and carries legal, operational and financial-stability considerations. Bank for International Settlements, "When bricks meet bytes: does tokenisation fill gaps in traditional real estate markets?" (2025, revised 2026) and Annual Economic Report 2025, Chapter III.