

EDITOR'S NOTES

An Affordable Path to Homeownership

As volume dips, Risk Reduction Mortgage Corp., a startup Fintech mortgage product provider, has launched its signature solution, Risk Reduction Mortgages. This new product will be made available to homeowners and creditors starting in 2019, disrupting the \$30-trillion U.S. and \$160-trillion global real estate market.

Developed by renowned mortgage experts, this product has been proven to substantially reduce risk for all stakeholders and provide much needed stability to the housing finance system. Underpinned by Home Diversification Agreements (borrower sells local home-price index and buys national price index), Risk Reduction Mortgages will deliver key benefits:

>> Eliminate the need for PMI, HFA or piggy-back second mortgages for those unable to afford the standard 20-percent down payment – providing savings of thousands of dollars each year for the tens of millions of homeowners in this category.

>> Provide a diversification benefit enabling homeowners to substantially reduce their home-equity value risk, obtain a similar reduction in foreclosure risk and enjoy a lower interest rate due to their reduced-risk profile.

>> Provide creditors (e.g.- GSEs) up to a 70-percent reduction in systemic credit losses.

"Our new mortgage product is the most important financial innovation since securitization," says Marc Biron, RRMCM founder and CEO. "If available at the time, there is strong evidence they would have helped avert the 2008 meltdown."

Adds RRMCM Senior Advisor, John N. Osland, "Our mission is to help millions of homeowners by diversifying their most concentrated investment – their homes. We will remain relentlessly laser-focused on the homeowner." ❖