



Marlette to expand home improvement loan product

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Marlette Funding is looking to expand the company's home improvement loan product through its online platform BestEgg, according to Sabrina Basht, chief strategy officer at Marlette.

The lender is looking to offer a slate of product enhancements, including larger-ticket loans, in order to increase its home improvement loan volume, she said.

"We are expanding our market focus from 'after the purchase' debt consolidation toward 'point of purchase' financing for large-ticket items," she said. "Our first area of expansion is in the home improvement space, which is a huge and attractive market for large and considered purchases."

Currently, only about 10% of BestEgg borrowers indicate they use the loans for home improvement projects, according to Basht. The lender is looking to offer a slate of product enhancements, including larger-ticket loans, in order to increase its home improvement loan volume, she said.

For example, the company will increase its loan sizes to USD 50,000, she said. Currently, the maximum loan amount offered by BestEgg is USD 35,000, according to the company website. APRs on the loans are between 5.99% and 29.99%. Basht declined to disclose investor returns on the platform.

Marlette joins the pipeline of other online lending platforms that have entered the home improvement space in the past months. Most notably, Goldman Sachs began marketing home improvement loans through its online lending arm Marcus, as reported (see story, 13 February). Online mortgage lender Better Mortgage also coined the idea of offering HELOCs at the end of 2017, as reported (see story, 30 October).

Overall, HELOCs are set to make a comeback this year, with approximately 1.6m homeowners predicted to get a new HELOC in 2018, as reported (see story, 2 February).

by Diana Asatryan

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