# Doma Second Quarter 2022 Earnings Transcript

## CORPORATE PARTICIPANTS

**Max Simkoff,** *Chief Executive Officer, Doma*

**Mike Smith,** *Chief Financial Officer, Doma*

**Beatriz Bartolome,** *Head of Investor Relations, Doma*

## CONFERENCE CALL PARTICIPANTS

**Redwan Rafid** *Oppenheimer & Co. Inc., Research Division – Associate Research Analyst*

**Matthew Carletti** *JMP Securities LLC, Research Division - MD & Equity Research Analyst*

**Thomas White** *D.A. Davidson & Co., Research Division - Senior VP & Senior Research Analyst*

**Beatriz Bartolome, *Head of Investor Relations, Doma***
Thank you, operator. Good afternoon, everybody, and thank you for joining Doma's second quarter 2022 earnings conference call. Earlier today, Doma issued (inaudible) announcing its second quarter results, which is also available at investor.doma.com.

Leading today's discussions will be Doma's Founder and Chief Executive Officer, Max Simkoff; and Chief Financial Officer, Mike Smith. Following management's prepared remarks, we will open-up the call to questions.

Before we begin, I would like to remind you that our discussion will contain predictions, expectations, forward-looking statements and other information about our business that is based on management's current expectations as of the date of the presentation.

Forward-looking statements include, but are not limited to Doma's expectations or predictions of financial and business performance and conditions and competitive and industry outlook. Forward-looking statements are subject to risks, uncertainties and other factors that could cause our actual results to differ materially from historical results and/or from our forecast, including those set forth in

Doma's Form 8-K filed today. For more information, please refer to the risks, uncertainties and other factors discussed in Doma's most recently filed Annual Report on Form 10-K and other SEC filings.

All cautionary statements that we make during this call are applicable to any forward-looking statements we make wherever they appear. You should carefully consider the risks and uncertainties and other factors discussed in Doma's SEC filings. Do not place undue reliance on forward-looking statements as Doma is under no obligation and expressly disclaims any responsibility for updating, altering or otherwise revising any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Additionally, during this conference call, we will also refer to non-GAAP financial measures, including retained premiums and fees, adjusted gross profit and the other measures described in our earnings release. Our GAAP results in description of our non-GAAP financial measures with a full reconciliation to GAAP can be found in the second quarter 2022 earnings release, which has been furnished to the SEC and is available on our investor website.

And with that, I'll turn the call over to Max Simkoff, CEO of Doma.

**Max Simkoff, *Chief Executive Officer, Doma***
Thank you, Bea and good afternoon, everyone. Before we get started, I'd like to congratulate Mike Smith on his promotion to Chief Financial Officer of Doma. As you know, Mike have been serving as Doma's Chief Accounting Officer and acting Chief Financial Officer since mid-May of this year. I'm very excited to welcome Mike to the Doma leadership team, and I look forward to continuing to work with him to deliver an instant and frictionless home closing experience for buyers and sellers.

Turning now to our business. We now have a full year as a public company under our belt, and I am proud of how we've adapted to and managed our business through a set of macroeconomic and housing industry headwinds in the first half of 2022 that are unlike anything in the last 20 to 30 years. In rare times like these, it's important to separate the cyclical from the structural. The challenges we are facing today are cyclical, but the investments we have made and the progress we have seen towards making the home buying process better, faster and more affordable are structural and sustainable, and we are just at the beginning stages of producing meaningful growth and returns for many years to come. And today, as we operate the business in a very different market than the one we went public in one year ago, we have quickly adapted our plans and our investment prioritization to ensure that we remain on track to get the business to positive adjusted EBITDA by the end of 2023.

Now, as I'd like to do with my opening remarks each quarter, today, I will focus on the following three main themes; first, we delivered resilient top line results in the second quarter against the mortgage market that continues to be challenged by extremely difficult conditions for homebuyers, namely rising inflation and interest rates, high home prices and unprecedented low housing inventory.

Second, getting to adjusted EBITDA profitability has become our top priority. We believe that the current market environment is likely to persist for some time and that the companies that come out of this economic cycle in a financially sound position will be those that can serve customers through and beyond this challenging time with the same quality and consistency established during greater days in the market.

Third, and my final theme, we continue to make steady progress in growing our footprint in the purchase market. This entails both getting our newly formed customer acquisition engine up to full productivity and rolling out our Doma Intelligence Technology to our local channel. Our plan, as we have previously communicated, is to migrate substantially all of our purchase volume onto our Doma Intelligence Technology by the end of next year and we remain highly confident that we are on track with that timeline.

I'll now dive into these three themes in more detail. And after that, I will turn the call over to Mike Smith to cover our second quarter financial results.

Let's begin by walking through our business performance in the second quarter. Our second quarter performance was in line with our expectations. And while the continued developing headwinds in the mortgage market may put our 2022 forecasted performance for retained premiums and fees at risk, we will be able to better assess that after the third quarter. We believe that our more intense focus on getting the profitability will help ensure that we still meet our adjusted EBITDA targets for this year. But given the risk to our retained premiums and fees and related impact to adjusted EBITDA, we are now guiding to the lower end of our range of adjusted EBITDA for our full year 2022 guidance.

Now onto the specifics of this quarter. While our performance in the quarter degraded significantly when compared to the prior year, last year was an abnormal year for the housing market. And given the significant shift in the market this year, we believe it is more important and insightful to understand quarter-over-quarter trends versus year-over-year trends, so we'll be focusing our remarks on a comparison to prior quarter.

In the second quarter, we delivered $49 million of retained premiums and fees, down 24% versus prior year and down 5% versus last quarter. Our year-over-year decline in retained premiums and fees or RPF, was driven by a 48% decline in refinance closed orders and a 32% decline in purchase closed orders. Our quarter-over-quarter decline in RPF was driven by lower refinance closed orders, which fell by 47% quarter-over-quarter as the mortgage market readjusts to a higher interest rate environment. Our purchase closed orders grew 16% sequentially versus Q1 as the second quarter is typically the peak selling season.

While our purchase volume increased quarter-over-quarter, the rate of increase was impacted by the performance of the overall purchase market, which had a slow start in the first quarter and continued to struggle in second quarter with weekly purchase mortgage applications as measured by the MBA's weekly application survey, declining 14% on a seasonally adjusted basis from Q1 to Q2. Also affecting our closed orders were lower pull-through rates, meaning fewer open orders are converting to closed orders versus typical historical trends. This behavior has been observed now across the broader purchase market, with Redfin data showing that in June, purchase transaction cancellations reached 15%, the highest level of purchase cancellations industry-wide since April of 2020.

It's likely that this lower pull-through rate industry-wide is being driven by a combination of rapidly rising interest rates, essentially more consumers are backing out of home purchases as mortgage rates continue to climb as well as home sellers losing negotiating leverage and not yet being able to be flexible to increasing buyer demand to get deals closed.

During our previous earnings call in May, we communicated our belief that this downturn was likely just the beginning of something far more significant. We formed our own internal outlook of how the mortgage market would perform for the remainder of the year, which differed from industry forecast, but reflected the reality of what we were observing on the ground, and the year is playing out as we expected. Our outlook was also the primary basis used for revising our 2022 guidance on our last call. And as I mentioned earlier, we are reaffirming our 2022 full year adjusted EBITDA guidance today at the low-end of the range, while noting that there may be some risk to our top line.

Shifting now to market share. Against our internal outlook of how the market performed this quarter, we continued to gain share in our enterprise channel, which comprises the majority of our refinance volumes as we had a net gain in wallet share across our enterprise accounts, and we also onboarded several new partners in the quarter. In terms of purchase, our market share was essentially flat versus last quarter, but should grow in the back half of the year as our investments in customer acquisition reach higher productivity and more of the purchase transactions start benefiting from our Doma Intelligence Technology.

I'll now turn to my second theme for today. We are confident that we have taken definitive actions to remain on our path to adjusted EBITDA profitability in 2023. In May, we took several actions aimed at preserving our cash position and accelerating our path to profitability. These actions included both reprioritizing the deployment of our capital towards home purchase-focused strategic initiatives and a reduction in force that primarily impacted our fulfillment organization. Since May, we have continued to observe the deterioration of the housing and mortgage market and we expect it to contract even further over the next 12 to 24 months.

To adjust for this reality, last week, we took additional actions to even further realign our cost structure with our commitment of getting to positive adjusted EBITDA by the end of 2023, if not earlier, and reaching positive cash flow generation by the end of 2023. These actions included a significant downsizing of our corporate support functions and a more streamlined management structure, which we expect will result in-charge of $3 million in the third quarter and will generate annualized cost savings of $40 million. These annualized savings are in addition to the expected $30 million of annualized savings from our May reduction in-force. We believe that these aggregate expense actions position us well to manage through the current cycle while preserving our differentiated business model so that we can continue pursuing our longer-term strategy.

And as we continue to navigate a very dynamic market environment that has the potential to continue deteriorating in the near term, we are committed to take additional actions as needed in order to remain on our stock stated timeline of profitability. While there are many companies in the mortgage technology space that went public over the last 12 to 24 months, we think that what sets us apart is that the fundamentals and the positive unit economics of our business have already been tested and that we have defined our path to near-term profitability.

In the past three to six months, we have significantly shifted the balance of our investments toward those that will get us to near-term profitability while still remaining able to drive meaningful investments in R&D and customer acquisition to deliver on a much larger longer-term market opportunity. The majority of the investments we set out to make 12 to 18 months ago as we were preparing to take the company public, were indeed made and are now starting to bear fruit for us as the broader housing market started to experience headwinds earlier this year and which intensified in the second quarter, we were swift in reducing our cost structure to align with a lower mortgage volume environment.

We have been deliberate and disciplined with our actions and investments as we build towards our vision of driving change through technology while also ensuring that we have ample capital to manage through the ups and downs of the cyclical mortgage market. We will be looking at all investments in the business for the foreseeable future through the lens of how they will either accelerate or de-risk our path to profitability and do so while enabling us to manage the business with a comfortable cash position in a challenging market.

This takes me to my third and final theme, our progress in growing our footprint in the purchase market, where we already do meaningful volume today and which is key to reaching adjusted EBITDA profitability. As a reminder, purchase transactions are our more profitable business and we have been generating purchase orders for quite some time now. While the deployment of our Doma Intelligence Technology was initially focused on our enterprise refinance business, we have always generated meaningful purchase volume. In fact, as of Q2, purchase orders made up 38% of our direct residential order volume and 66% of our direct retained premiums and fees.

During our first quarter earnings call, we announced our plans to refocus our resources and capital to a discrete set of strategic initiatives that we think will accelerate our growth in the purchase market, thereby accelerating our overall path to profitability as a company. While it has only been a few months since we made those changes, we have already started to see early progress, and we remain confident that we are focusing our efforts on the right areas.

In our local business, where today, we source the majority of our purchase orders, we have continued to add new features and functionality to the Doma Intelligence Platform for purchase, while working with our escrow and fulfillment teams across the initial rollout locations to ensure that we are seeing the expected increase in the quality and efficiency prior to accelerating our rollout to other markets. We've also found that the close involvement of our local escrow teams and how the product gets implemented and institutionalized has become an essential component of our rollout strategy. In the back half of this year, we expect to continue methodically adding new markets in our local channel to the rollout of Doma Intelligence for purchase.

Separately, in Q2, we also identified several potential enterprise partners who are now working with us on a version of Doma Intelligence for purchase that can be offered directly to their customers as part of their purchase workflow. We will be moving towards rolling out an initial version of this product with a small group of these enterprise partners later this year and believe this initiative may unlock an additional new distribution channel for Doma for Purchase. Across both of these efforts, we remain confident that we will significantly grow our higher-margin purchase volumes and that we will have the majority of our purchase transactions on the Doma Intelligence Platform by the end of 2023.

I would now like to turn the call over to Mike Smith, who will take you through the details of our financial performance of this quarter.

**Mike Smith, *Chief Financial Officer, Doma***
Thank you, Max, and good afternoon, everyone. Let me start by providing a high-level summary of our second quarter financial performance, and then I will dive into the details.

First, as Max mentioned, our financial results performed in line with our expectations. Second, while our second quarter top line results reflected performance similar to the first quarter of this year, we delivered a modest improvement in adjusted gross profit margin, a trend that we expect will continue in the back half of this year.

As Max highlighted, in May, we made significant reductions to our cost structure. Although these contributed to improved adjusted gross profit margins in Q2, most of the benefits from these reductions will be realized in the third quarter and going forward. It also follows that the expense actions we took just last week will similarly drive meaningful adjusted gross profit and adjusted EBITDA margin improvement in the fourth quarter of this year.

Now turning to the details and focusing on our sequential quarter-over-quarter performance. In the second quarter, we reported GAAP revenue of $124 million, up 10% from last quarter. GAAP revenue includes the portion of third-party agent premiums that Doma does not retain. So we focus on retained premiums and fees or RPF, which excludes these retained premiums. RPF this quarter was $49 million, down 5% from last quarter. As Max mentioned, our quarter over decline in RPF was driven by lower refinance closed orders.

Refinance volume continues to be impacted by the rapid rise in mortgage rates, which averaged 5.27% in Q2 versus 3.82% in Q1 of this year, reaching a peak of 6.28% in mid-June. While rates have come down some since this peak in June, we expect this negative pressure from elevated mortgage rates on our refinance volumes to persist for the remainder of the year. On the brighter side, our purchase closed orders grew 16% quarter-over-quarter, and we expect these orders to continue to meaningfully grow over the next few quarters and offset the impact from refinances, driving increased RPF in Q3 and Q4.

Moving to adjusted gross profit, which is our primary measure of unit economics, we delivered $11 million of adjusted gross profit this quarter, up 5% from last quarter. Our adjusted gross profit as a percentage of RPF was 22% this quarter, up 2 points from last quarter. Our quarter-over-quarter improvement in adjusted gross profit was again driven by the actions we took in May to reduce our fulfillment expenses to better align with lower refinance volumes as well as a mixed shift towards purchase transactions.

Similarly, our adjusted EBITDA, our main profitability measure was $2 million better than last quarter, negative $43 million this quarter versus negative $45 million last quarter, also due to these lower direct fulfillment expenses.

As I highlighted previously, in the back half of the year, we will see the full benefit of the expense actions we have taken this year, including those that we took late last week, which will meaningfully increase our adjusted gross profit contribution and our adjusted EBITDA on a go-forward basis.

I would like to conclude my remarks by emphasizing that we are being strategically selective with our investments and are prudently managing our expenses, including prioritizing cash preservation over growth. While we cannot perfectly predict how the mortgage market will unfold in the back half of this year, we believe that we have taken meaningful actions to protect our bottom line results and as such, we are reaffirming our full year 2022 adjusted EBITDA guidance by guiding to the low end of the range. Additionally, we will continue to appropriately manage expenses to ensure that we remain on our near-term path to profitability, which we are still confident we can achieve in 2023.

I'll now pass the call back to Max for closing remarks before we open the call to questions.

**Max Simkoff, *Chief Executive Officer, Doma***
Thanks, Mike. In closing and to keep things in perspective, in the face of cyclical challenges within the mortgage and housing market, we will be one of the companies that quickly adapted to evolving market conditions while still remaining focused on our longer-term strategies, enabling us to emerge as a true market leader, which is why we remain intensely focused on executing our vision to make the experience of buying, selling or owning a home better, faster and more affordable. And doing so as a profitable public company, which we expect will become more obvious to the market early next year. We look forward to updating everyone with our progress towards these objectives is completed on future public calls. Operator, we're ready for questions.

**Operator**
(Operator Instructions) Our first question will come from the line of Matt Carletti from JMP.

**Matthew John Carletti *JMP Securities LLC, Research Division - MD & Equity Research Analyst***
Max, you commented a little bit about how you guys have spent a lot of time developing kind of your own view of the macro environment, the housing environment and how you've been kind of, let's say, a little more spot-on as things have unfolded in the last couple of quarters. Can you tie together kind of how your guidance ties into that? So kind of how might your view going from here forward? I'm focused on the '23 guidance of EBITDA positivity by year-end. How might your view of the world differ from something a little more public like MBA forecast or something like that? And then kind of how much flexibility is built into your guidance in the sense of whether we're off one way or the other, how resilient can that guidance be to those events, given the environment?

**Maxwell Simkoff *Doma Holdings Inc. - Founder, CEO & Director***
Yeah, great question. So let me try and take that question in two parts, and I might ask Mike to comment a bit on just how we're managing for the expense side of the equation dynamically.

Without specifically disclosing our internal forecast, I can say that it was certainly more conservative than what was being projected by the Mortgage Bankers Association. And honestly, what we've seen, Matt, is that like this isn't specific just to them, it's kind of every industry-wide forecast on purchase mortgage origination, whether that's number of units closed or where the 30-year fix is going to end up, just really haven't been able to keep pace with the almost day-to-day swings in numbers that we've been seeing, right?

So I mean, if you look at the MBA forecast, in particular, I think in April, they were forecasting second quarter rates at 4.7%, they revised it up to 5.2% in their May report, but then they revised it down to 5.1% in June. And during the same time, rates were just increasing dramatically, which even got to rates above 6% in the last month of the quarter. And similarly, their reports also showed minimal but no change in purchase loan counts over the same time period. So we had a more conservative forecast and the year is playing out as we expected.

I think on the part of your question where you asked how resilient is our business to the forecast that we've put together internally. And this is where I'll ask maybe Mike to chime-in a little bit on -- we're just really, really focused on managing to profitability against any backdrop. We think that we've made significant expense reduction actions already in the first half of this year and we're prepared to continue pulling on expense levers if we need to, to make sure that we meet that timeframe. And because we have a business with positive unit economics and in a very large market where we still have relatively small share, we're quite confident we can dynamically manage the business to get there. Mike, I don't know if you want to talk about what are the flexibility we have there.

**Mike Smith, *Chief Financial Officer, Doma***
Yeah. I guess the only addition I'd add to that is that if you add up to two actions that we took in May and August of this year, the total annualized savings are roughly $70 million. You'll see that benefit in the latter part of this year. In addition, you also see some benefit as we pivot to purchase in that, those better unit economics coming through because, as you know, purchase transaction is roughly 3 times more profitable than as a refi transaction. You'll see that line us up here in the third and fourth quarter and then on path for the next year.

**Matthew John Carletti *JMP Securities LLC, Research Division - MD & Equity Research Analyst***
Great. Very helpful. Thank you. And then if I could just, I guess, follow up with a little bit of a shorter term question, not so much speaking about the quarters, but just thinking about what it might imply for the picture ahead. We're halfway through the quarter in Q3 and Max, you mentioned you're exactly right that it seems like things can change day-to-day. Is there anything you've observed kind of through six weeks of the quarter that good, bad or otherwise, you think are worth note as regard to business?

**Maxwell Simkoff *Doma Holdings Inc. - Founder, CEO & Director***
Look, I just think I would kind of reiterate that the market is so dynamic right now from day-to-day. But there's really nothing I'd say in either direction. I mean, again, I think to kind of put it on perspective, the 30-year fixed hit like a multiyear high, I think mid-June, it was just north of 6% last week, I think it ticked down below 5% again, right? So I think everyone, homebuyers, home sellers, mortgage lenders, real estate agents are all just trying to figure out where things stabilize and could go either direction. So it's just too soon to tell.

**Operator**
Our next question will come from the line of Tom White from D.A. Davidson.

**Thomas Cauthorn White *D.A. Davidson & Co., Research Division - Senior VP & Senior Research Analyst***
I hopped on the call a little bit late, so I apologize if you covered this in the prepared remarks, but I saw in the press release that you kind of committed to having the majority of your purchase transactions on Doma Intelligence by the end of next year. I guess any like early data or kind of maybe cohort analysis you could share about the branches or the markets where it got rolled out earliest and whether you're seeing any kind of change in the market share in that area or maybe a change in the trajectory of closed orders that would signify that the technology is really resonating and getting attention.

And then just a follow-up on the enterprise referral opportunity. Just curious if there's anything kind of especially you guys need to do to kind of attack that? Is there technology that needs to be kind of developed or kind of a new go-to-market motion? And maybe talk about how big maybe that could get as a kind of percentage of your overall business over the next few years?

**Maxwell Simkoff** ***Doma Holdings Inc. - Founder, CEO & Director***
So on the first question related to progress and the rollout of Doma Intelligence for our local purchase transactions, I can actually share some qualitative progress here and then talk a little bit about when we'll have more granular data to look at.

If you just recall as a backdrop, you mentioned that we plan on having the majority of our local purchase volume going through the Doma Intelligence platform by the end of next year. We are still on track for that. We're pretty much exactly where we expected to be, which I'm very happy about because we are seeing some progress here. We focused our initial rollout of the platform to a couple of locations in California.

We deliberately tried to ring-fence this as a limited scope where we could get really strong iterative feedback from our partners and our escrow officers who are critically important to the success of the rollout of the technology. And I think we did a really awesome job working as a team to get that initial rollout done and we started seeing some strong positive progress anecdotally from the first transactions that we're closing in California. And because of that success, we've now expanded into two more states; Arizona and Florida.

And we plan on expanding into two additional states by year-end.

To go a little bit further into just some of the qualitative feedback that we're getting from our initial escrow officer partners who are on the front lines of utilizing this technology to help us close these transactions more efficiently and with higher quality, we had one California escrow officer involved in initial rollout, describing her experience recently as being a game changer and telling us that if this technology had existed for her to do or her job several years ago, she would have been a lot less stressed and would have had a lot more control over her work schedule, not to mention be a lot more productive. So directionally, we're right on track in getting transactions onto the platform and expanding our geographic scope. In terms of when we will be able to point to, I would call it, numbers at scale for unit economic and efficiency benefits, just based on the timing of when transactions close and some of the progress in rolling this out, I'd anticipate being able to speak to that in the first quarter or two of 2023.

I think your other question was on enterprise purchase, which is finding a way to better capitalize on our strong enterprise referral relationships that have obviously driven a lot of growth and refinance for us, finding ways of partnering with those providers to get purchase transactions. We did mention in the prepared remarks that over the last quarter, we've made progress with a couple of our largest enterprise partners in identifying potential ways of having them refer purchase business to us. The primary obstacle there in the

past has been that purchase orders typically get referred to you by the real estate agent who remains an incredibly important partner of ours in our local channel.

But we're seeing that because of the way the technology has evolved, and frankly, our strong foothold in a lot of these large enterprise partners that we signed up over the last couple of years, there may be an opportunity to have our solution distributed through them for purchase transactions where they influence more and more of the placement of the solution.

So we're embarking with a few of those on framing out how this would work. And we're really, really excited and encouraged by their willingness to lock arms with us and see if we can introduce a new product here. And so that's in-progress as we speak.

**Operator**
Our next question will come from the line of Jason Helfstein from Oppenheimer.

**Redwan Rafid Oppenheimer & Co. Inc., Research Division – Associate Research Analyst**

It's Redwan on for Jason. Just one quick question. Can you run through some of the cost and margin benefits per transaction as you bring purchase transactions onto the Doma Intelligence platform.

**Maxwell Simkoff** ***Doma Holdings Inc. - Founder, CEO & Director***
Sure. Hey, Redwan. I am happy to do that at high level, which is just generally speaking -- so a couple of things to keep in mind. One is, as Mike mentioned earlier, typical purchase transaction just out of the gate is already about 3 times the top

line gross revenue dollars of a refinance transaction. So you're already starting with a much larger number in terms of revenue. And then in terms of the actual cost of fulfilling these transactions, a lot of the process work that's involved in doing a purchase transaction in terms of title and escrow is the same set of steps that you would do on a refinance transaction. So having to underwrite the title insurance, for example, where I would also mention we did earlier see a rollout, instant underwriting for purchase transactions.

So having to underwrite the title insurance, there's certainly room for significant improvements in the economics there. As there are a number of the escrow processes that we've developed and validated technology for and the refinance offering, which we've now also applied to purchase. So things like getting mortgage payoffs, checking final amounts on the settlement statements, reading e-mails, there's a lot of e-mail traffic that still goes back and forth in these transactions. And just this last quarter, we released some new features and functionality for what we call Doma Communications, which automatically reads e-mail traffic and routes it to the right place.

So you can think of it as a lot of the same steps as a refinance transaction, where, again, we've already successfully deployed our technology and seen improved unit economics. There's a bit more effort involved in a number of those steps because you have a couple of more parties involved in the transaction. You've got a real estate agent. You have both a buyer and seller versus a refinance transaction where you just have a borrower and a lender.

So thematically speaking, it's really just applying a similar configuration of our technology to a lot of the same steps in a transaction that carries higher revenue. And as you see us do that, while also working hand-in-hand with our escrow officer partners who really are kind of the unsung heroes of these transactions, they're making sure that really complex issues get solved, and they're quarterbacking the transaction from start to finish. Getting them to fully take advantage of our technology and centralized service offering to take work off their plates is really where you're going to see most of the lift in the unit economics over-time. So I think that probably answers your question generally, but I don't think we've gotten into specifics on unit economic comparisons recently.

**Redwan Rafid Oppenheimer & Co. Inc., Research Division – Associate Research Analyst**
Okay. That's helpful. And I guess just like following up on the enterprise question from earlier, like, given the tough housing market, like how has the decline in demand kind of like change your conversation with current and potential large enterprise customers?

**Maxwell Simkoff *Doma Holdings Inc. - Founder, CEO & Director***
Yes. So on the refi side, a lot of conversations actually hardly it -- it has made our offering even more attractive. If you remember, in addition to us being a lot more efficient and enabling our lender partners to close much more quickly, we also -- that offering is done at an industry beating low price point. Certainly, their end customers are a lot more sensitive to costs in a higher rate environment, and they're getting a lot more competitive with one another. Every dollar counts for where they can take points off of the loan and trying to win a customer over. So I think we've been positively encouraged by, just again, adding a number of new enterprise lenders in last quarter who are bringing refi transactions to us at a time when you think that refi wasn't their focus. And that includes, for example, another one of the top 20 largest mortgage originators in the country, signing on as a new customer in the last quarter. We've also seen a lot of these lenders and what I would call lender alternatives are offering either HELOC or home equity like home equity alternative products, rising rates typically signaling an increase in HELOC volume. Rapidly rising rates tend to bring HELOC back pretty quickly. And we had developed and released a version of our solution for home equity kind of in parallel to when we did for refi. So absent the overall market decline just as a result of rates, I think we've seen demand for our solution on the enterprise side hold up pretty well.

**Operator**
Thank you. And I am showing no further questions. This concludes today's conference call. Thank you for participating. You may now disconnect.