

SECONDARY MARKETING TECHNOLOGIES OVERVIEW

JULY 2021

Secondary Marketing Technologies

OVERVIEW

Black Knight acquired Optimal Blue in September 2020 and combined the Optimal Blue business with Black Knight's Compass Analytics business to create a single team committed to delivering premier, integrated industry-leading secondary marketing solutions and actionable data services.

HIGHLIGHTS

LENDER PRODUCT, PRICING AND ELIGIBILITY (PPE) ENGINE:

Streamlines loan origination workflows, pricing and rate locking while creating a digital audit trail.

HEDGE ANALYTICS: Delivers a unique combination of robust hedging functionality, industry best practices and trading desk services.

LOAN TRADING: Interactive trading environment that brings buyers and sellers together on a single, integrated platform.

MORTGAGE BROKER PPE (LOAN SIFTER):

Supports best execution searches across more than 110+ wholesale investors and 2,500 brokers.

DATA AND ANALYTICS: Proprietary, real-time, granular insights on mortgage pricing and demand to a wide variety of market participants.

COMPLIANCE SOLUTIONS: All-in-one solution that automates oversight of regulatory compliance and social media publishing for lenders

MSR VALUATION: Enables servicers to value conventional and servicing assets

LEAD GENERATION: Allows lenders and servicers to target leads and retain customers by providing loan offers based on specific financial and market information.



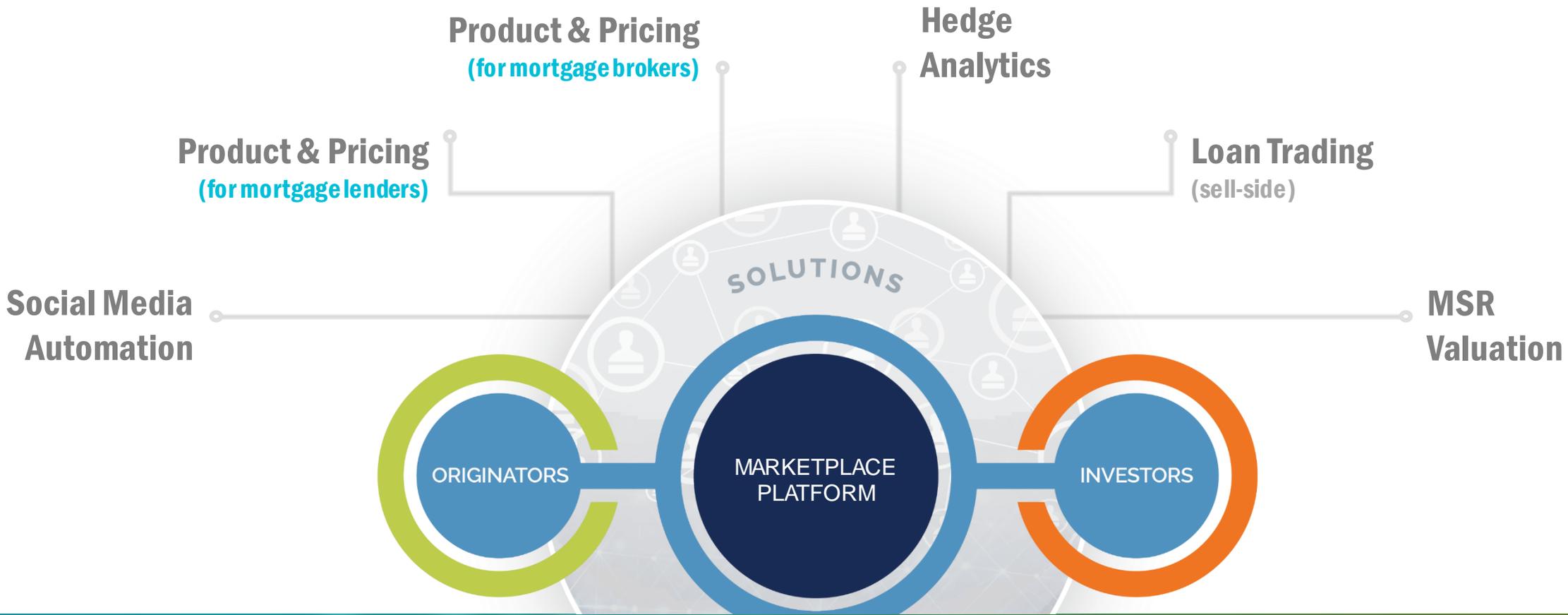
KEY BENEFITS

- Facilitates a broad set of secondary marketing interactions (i.e., product and pricing through real time price discovery, lock desk automation, risk management, loan trading, data and analytics and social media) all through a subscription model
- PPE has more than 230,000 users, and a network of ~1,200 lenders, ~2,500 brokers and 200+ investors
- Established provider network of more than 70 leading mortgage technology vendors; advanced APIs enable real-time, turnkey integrations with these vendors
- Ongoing commitment to deliver impactful innovations that drive organizational success
- Best-in-class technology platform developed on a highly scalable and resilient cloud-based infrastructure with an open platform architecture



Secondary Marketing Technologies

SOLUTIONS FOR ORIGINATORS



Secondary Marketing Technologies

SOLUTIONS FOR INVESTORS



Secondary Marketing Technologies

ACTIONABLE DATA SERVICES



Secondary Marketing Technologies

TECHNOLOGY VENDOR CONNECTIONS



Turnkey integrations enable accurate, real-time pricing—any time, anywhere

- + QUOTING & CONVERSION
- + ONLINE LEADS
- + REALTOR & MLS
- + MARKETING
- + CRM
- + MOBILE
- + CONSUMER DIRECT
- + POINT OF SALE
- + LOS & OTHER SYSTEMS
- + MORTGAGE INSURANCE



PRODUCT DETAILS



Lender and Broker PPE

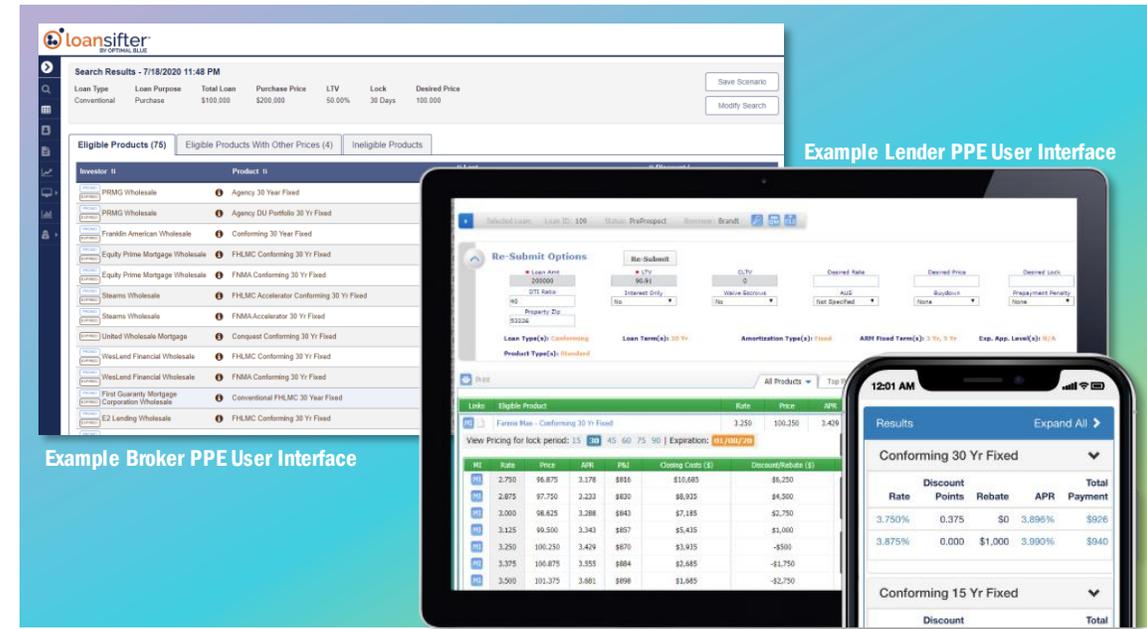
OVERVIEW

LENDER PPE provides best-execution pricing, locking, margin and borrower engagement management for loan originators.

BROKER PPE supports best-execution searches across wholesale investors, allowing brokers to stay competitive and confidently execute profitable lending strategies.

HIGHLIGHTS

- Lender PPE includes “lights-out” lock desk functionality that automatically locks loans and processes post-lock changes based on lender’s policies
- Allows originators to connect their third-party vendors, such as LOS, point-of-sale or CRM systems, to the Secondary Marketing Technologies (“SMT”) platform
- Used by ~1,200 mortgage lenders and ~2,500 brokers
- Charges a subscription fee based on the number of loan origination officers; originators pay an additional recurring fee when establishing an API connection



Example Lender PPE User Interface

Example Broker PPE User Interface

KEY BENEFITS

- Dynamic Markups allow lenders to customize margins based on specific loan scenarios and apply markup conditionally
- Custom fields can be used to apply pricing or eligibility based on any characteristic a lender desires
- Lenders can overlay eligibility or pricing on any investor product
- Historical pricing is instantly available and can be used to re-price loans based on worst case evaluations whenever configured
- Pricing concession functionality creates automated approval workflow including approval



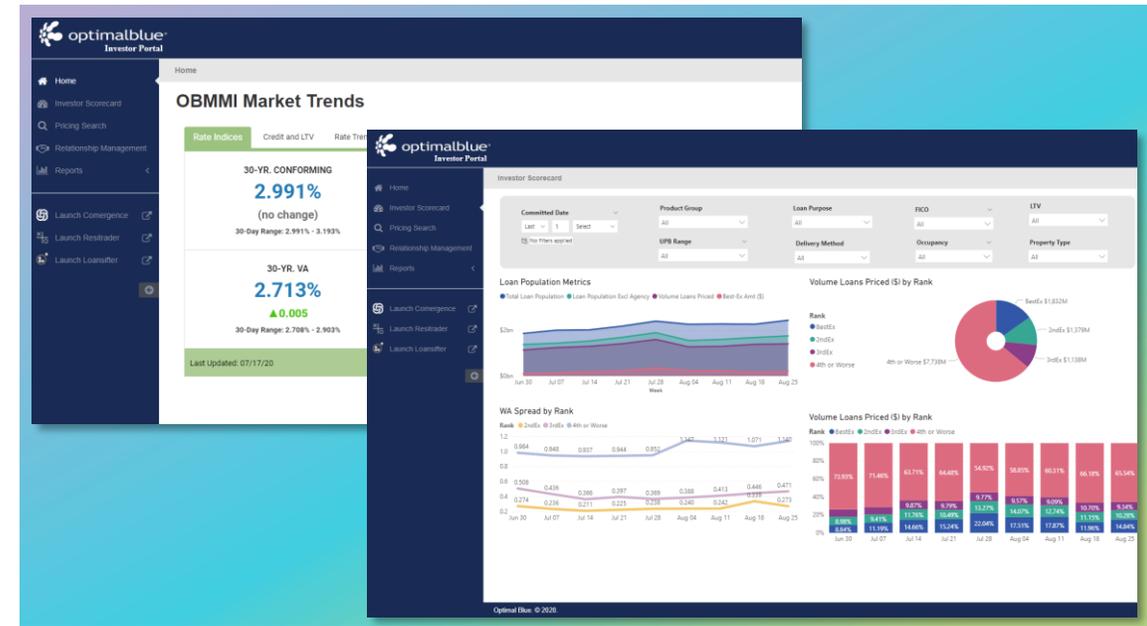
Investor PPE

OVERVIEW

Displays investors' pricing and product guidelines on the SMT platform which allows originators to determine, in real-time, the rates they can offer to loan applicants for various financing scenarios

HIGHLIGHTS

- SMT system automatically imports over 42,000 rate sheets from investors daily
- Provides instant access to 3,700+ lenders and brokers; no other PPE platform provides similar scale of content distribution and market access
- Extensive network of 200+ mortgage investors
- Charges investors a subscription fee for access to the platform, which includes a limited number of connections, and incremental fees for additional connections



KEY BENEFITS

- SMT is well-known for its ability to quickly consume rate data each morning and throughout the day in a volatile market
 - 2021 1H, SMT downloaded approximately 42,000 rate sheets per day
 - The average time from download to live is 30 seconds
- Recently added capability to support Expanded Guideline (Non-QM) content was well received by investors
- 32 Housing Finance Authorities (“HFA”)
 - More than 500 HFA instances supported for clients



Secondary Services: Hedge Analytics and Loan Trading

OVERVIEW

HEDGE ANALYTICS: Helps originators hedge the risk associated with interest rate fluctuations between the time the rate is locked and the loan is sold. Delivers a unique combination of robust hedging functionality, industry best practices and trading desk services to help manage pipeline risk.

LOAN TRADING: Secure, cloud-based loan trading platform that brings buyers and sellers together, exposing both to the industry's largest network and helping them simplify the way they work.

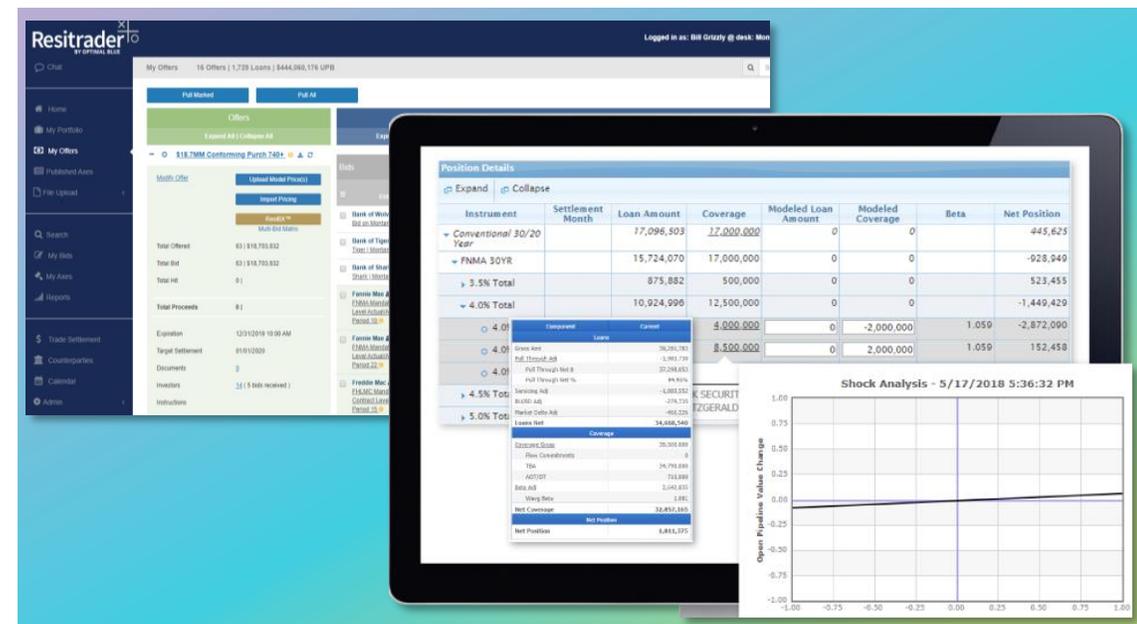
HIGHLIGHTS

Hedge Analytics

- Full-service, self-service and hybrid options available
- SMT only provides advisory services and does not take a principal position in the hedge transactions
- Charges a fixed subscription fee for a committed amount of volume and incremental fees for additional volume

Loan Trading

- Includes: Best Efforts, Flow Mandatory, Bulk AOT, AOT, Direct Trades, Bulk Bids, Agency Cash, etc. all in one service
- “First price sealed bid” auction format
- Charges a fixed subscription fee for a committed amount of volume and incremental fees for additional volume



KEY BENEFITS

SMT's live modeling functionality and exclusive Shock Analysis tools enable lenders to:

- Easily compare current hedge positions to modeled position
- Maintain accurate intraday hedge posture
- Manage net open position throughout the day
- Preview results of lifting / adding coverage

- Anticipate the impact of loan sales
- Visualize effects of new production

Integrating hedging with the Lender PPE platform is extremely beneficial

- Allows clients to leverage investor content from PPE to perform a best execution evaluation for loan sales and mark to market purposes



Compliance Solutions

OVERVIEW

THIRD-PARTY ORIGINATORS OVERSIGHT: Streamlines and automates investors’ prospecting, onboarding, due diligence and renewal of TPOs

INVESTOR MARKETING: Enables investors to efficiently research, document and track prospecting activities

SOCIAL MEDIA COMPLIANCE: The only end-to-end social media monitoring platform designed for the mortgage industry, providing a full suite of compliance solutions including audits, reviews and publishing

HIGHLIGHTS

Third-Party Originators (“TPO”) Oversight

- Exceeds compliance requirements of CFPB, NMLS, FDIC and NCUA*
- Adopted by 120+ investors
- Charges investors a subscription fee based on the number of TPOs monitored and the number of users

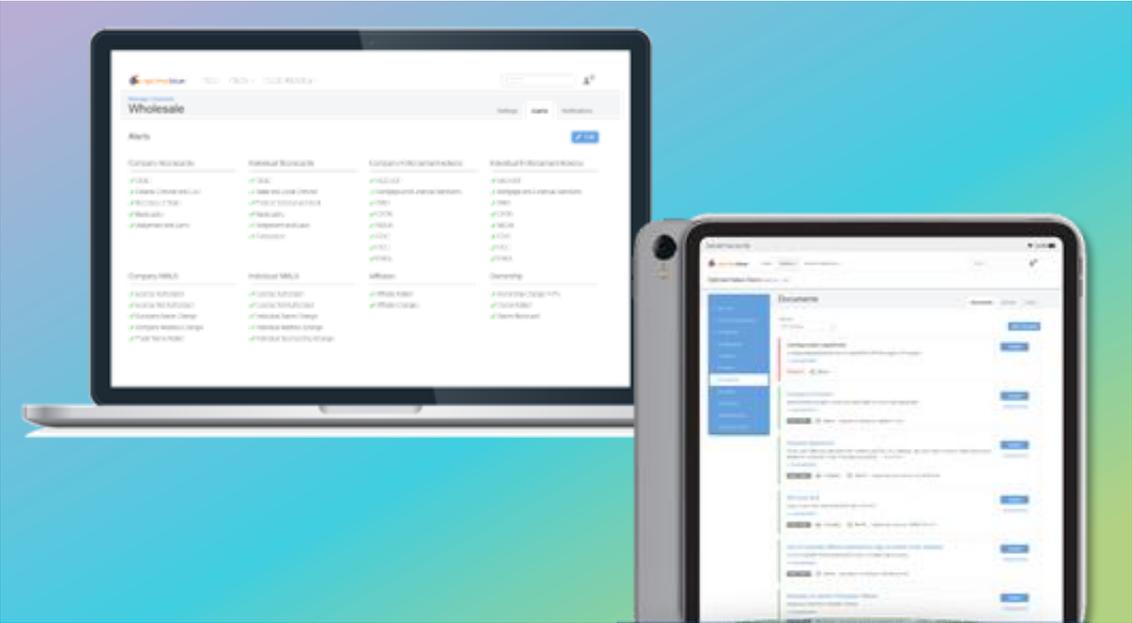
Investor Marketing

- Investors charged subscription fee based on number of TPOs monitored and number of users; investors pay additional recurring fee based on number of TPOs monitored or users above contracted limit

- Fully-integrated with and sold alongside TPO Oversight
- Subscription-based pricing with additional fees for optional API integrations

Social Media Compliance

- Automates compliance remediation process with triggers, alerts and tasks
- Charges a subscription fee



KEY BENEFITS

- **Facilitate Compliance** – through automated monitoring and audits
- **Remediate Compliance Findings** – via a single, intuitive dashboard
- **Streamline Social Media Publishing** – to work faster and do more
- **Promote Effectively** – with integrated borrower reviews
- **Increase Visibility** – view reports on-demand

*CFPB = Consumer Financial Protection Bureau, NMLS = Nationwide Multistate Licensing System & Registry, FDIC = Federal Deposit Insurance Corporation and NCUA = National Credit Union Administration

Partner Services APIs

OVERVIEW

A comprehensive API library to accomplish a variety of functions from within various technology solutions, creating a seamless user experience. Advanced APIs share accurate, best-fit pricing to consumers online, provide loan officers with the ability to lock rates from the convenience of their mobile phone, integrate change requests automatically with the LOS and much more.

HIGHLIGHTS

- **SMT has built a large ecosystem of 60+ connected third-party vendors (“Integration Partners”)**
- **Integration partners have created a wide variety of custom use cases for SMT’s pricing data including but not limited to:**
 - Presenting pricing information at point-of-sale
 - Embedding lock process functionality within LOS systems
 - Providing realtors with digital marketing flyers that embed loan pricing information
- **Revenue model is typically structured as a revenue sharing agreement whereby SMT receives a share of the revenue that the integration partner earns from its end-user**



KEY BENEFITS

- **Ability to source products and pricing through a point-of-sale platform that allows for both a consumer and a loan officer view of an application path for a borrower**
- **Build out marketing materials like open house flyers that integrate with SMT’s APIs to also embed pricing options and products into those collateral pieces**
- **Full originator portals that sync the SMT data set with the LOS data set and allow for lock requests to be processed, along with post lock changes**
- **LOS systems may require all users to stay within the UI confines of the LOS when interacting with other solutions. SMT’s APIs are a great option to fit within those requirements as the LOS can be in complete control of the UI and mapping, while our mutual customers can still get the benefits of using SMT’s PPE**



Mortgage Insurance

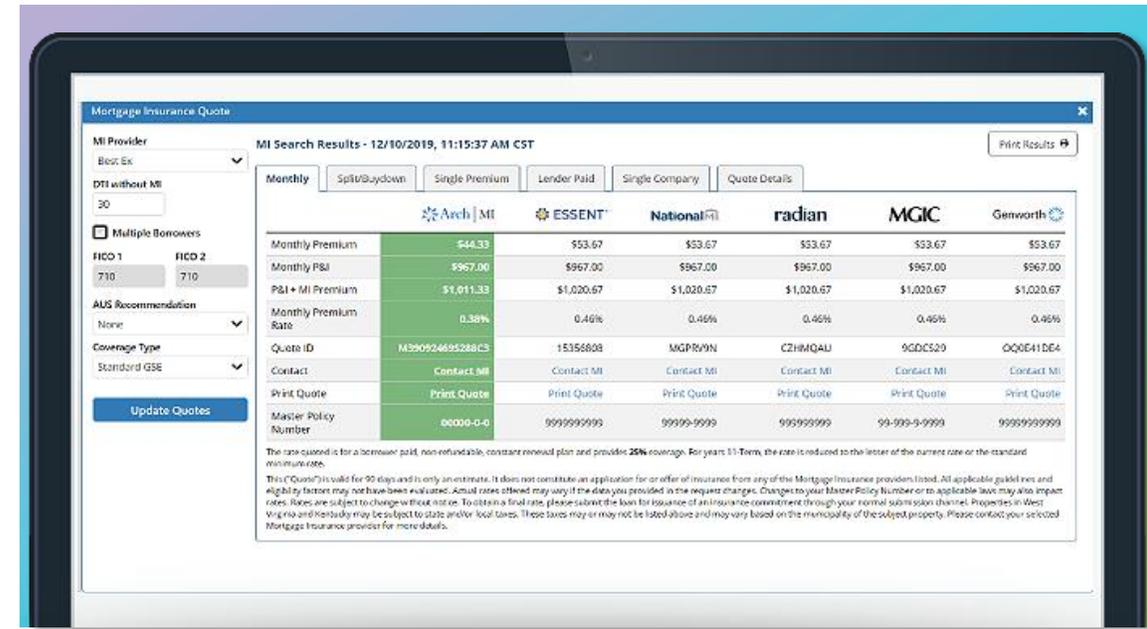
OVERVIEW

Risk-based premium comparisons of quotes from mortgage insurance (“MI”) firms. Through SMT’s PPE network, MI firms gain unique access to timely data and digital distribution to originators

SMT serves only as a quoting and distribution tool and does not provide mortgage insurance or carry any policy risk

HIGHLIGHTS

- Used by all 6 U.S. MI firms
- SMT has automated and streamlined the process of ordering quotes for all 6 – from one at a time to a single click of a button
- SMT’s straightforward approach provides quotes for the most common MI products in 15 seconds or less and presents them in best execution order
- Printed versions of results can be provided to consumers to assist in program selection and provided to processing teams to validate choice
- Charges MI firms a fixed subscription fee for access to the platform and an incremental flat fee per quote



KEY BENEFITS

- The first step for a consumer shopping for a mortgage is to compare pricing. An important part of the calculation is the cost of MI if the loan is conventional and above 80% LTV which accounts for ~20% of lock volume
- Through SMT’s PPE network, MI firms gain unique access to timely data and digital distribution to originators
- Support additional data collection as the MI Industries become more sophisticated with their risk-based models
- Allow MI companies to provide information about other value-added services in the quote results



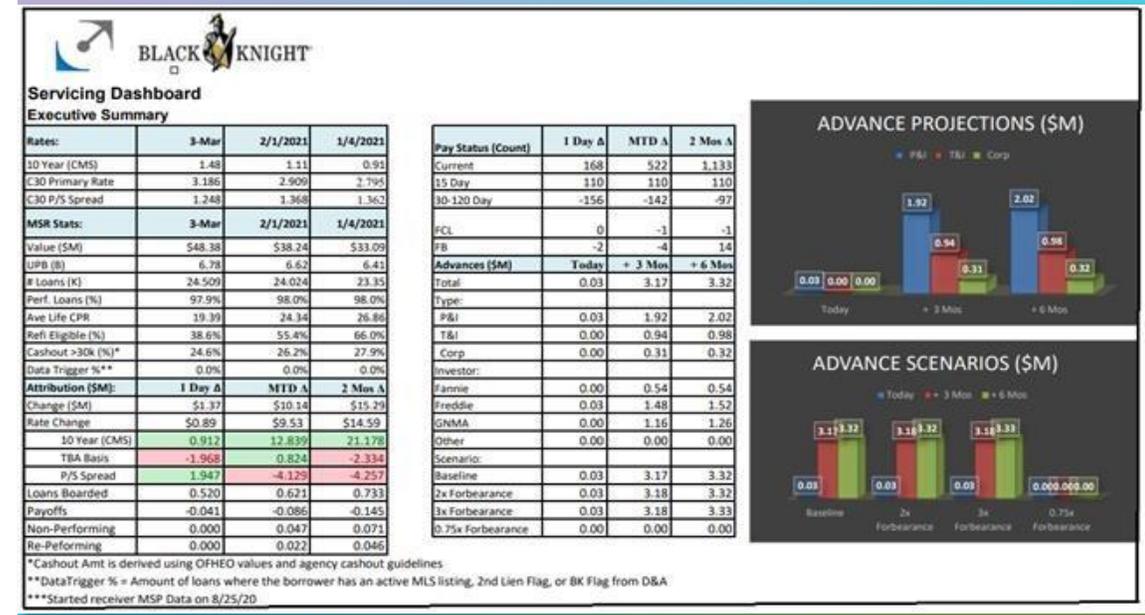
MSR Valuation & Analytics

OVERVIEW

CompassPointSM MSR Analytics enables portfolio and pipeline loan data to be audited, imported and valued on a loan-level basis. The MSR Analytics offering also provides integration to MSR broker market values and servicer proprietary assumptions with integration to industry-standard prepayment models and provides accurate and exportable reporting.

HIGHLIGHTS

- CompassPoint is used by 150+ lenders in various capacities.
- The CompassPoint MSR model is used to value over 90% of conventional and government servicing assets in portfolios today.
- Owners of servicing portfolios run daily/weekly/monthly loan-level valuations.
- Owners of MSR portfolios use CompassPoint to value, shock, and analyze their existing portfolios to better understand the asset.
- Subscription-based tiered pricing



KEY BENEFITS

- Pipeline risk customers include some or all of the MSR model to make better retained/released decisions and can even call values hosted by a third-party MSR broker.
- When conducting retain/release analysis, lenders evaluating servicing retention evaluate additional considerations beyond best execution.
- Key analytics help lenders and servicers gain more confidence with MSR assets leading to more targeted MSR acquisition and growth plans.



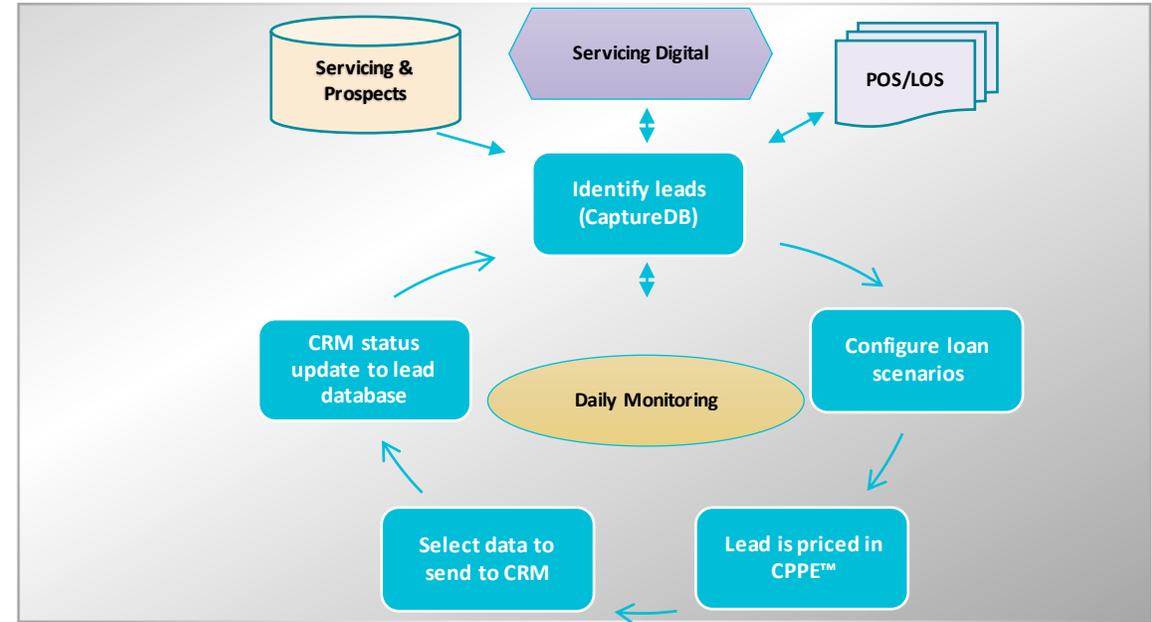
Lead Generation & Retention

OVERVIEW

The CaptureSM platform helps lenders and servicers target leads and keep their company's brands in front of their customers to improve retention. Capture identifies loans within a servicing portfolio or lead database that could benefit from refinancing, based on payment savings due to current first-lien rates and home equity, as well as those that may be eligible for home equity offers based on up-to-date home price data.

HIGHLIGHTS

- The biggest driver in the valuation of an MSR portfolio is the conditional prepayment rate (CPR). CaptureSM can help increase a lender's recapture % and bottom-line performance
- Recapture % can be modeled into the price of an MSR
- Integrated with Black Knight's Servicing Digital and Borrower Digital, Black Knight's point of sale solutions represent full circle of technology to support client retention
- Priced as a subscription on portfolio size and # of leads ingested

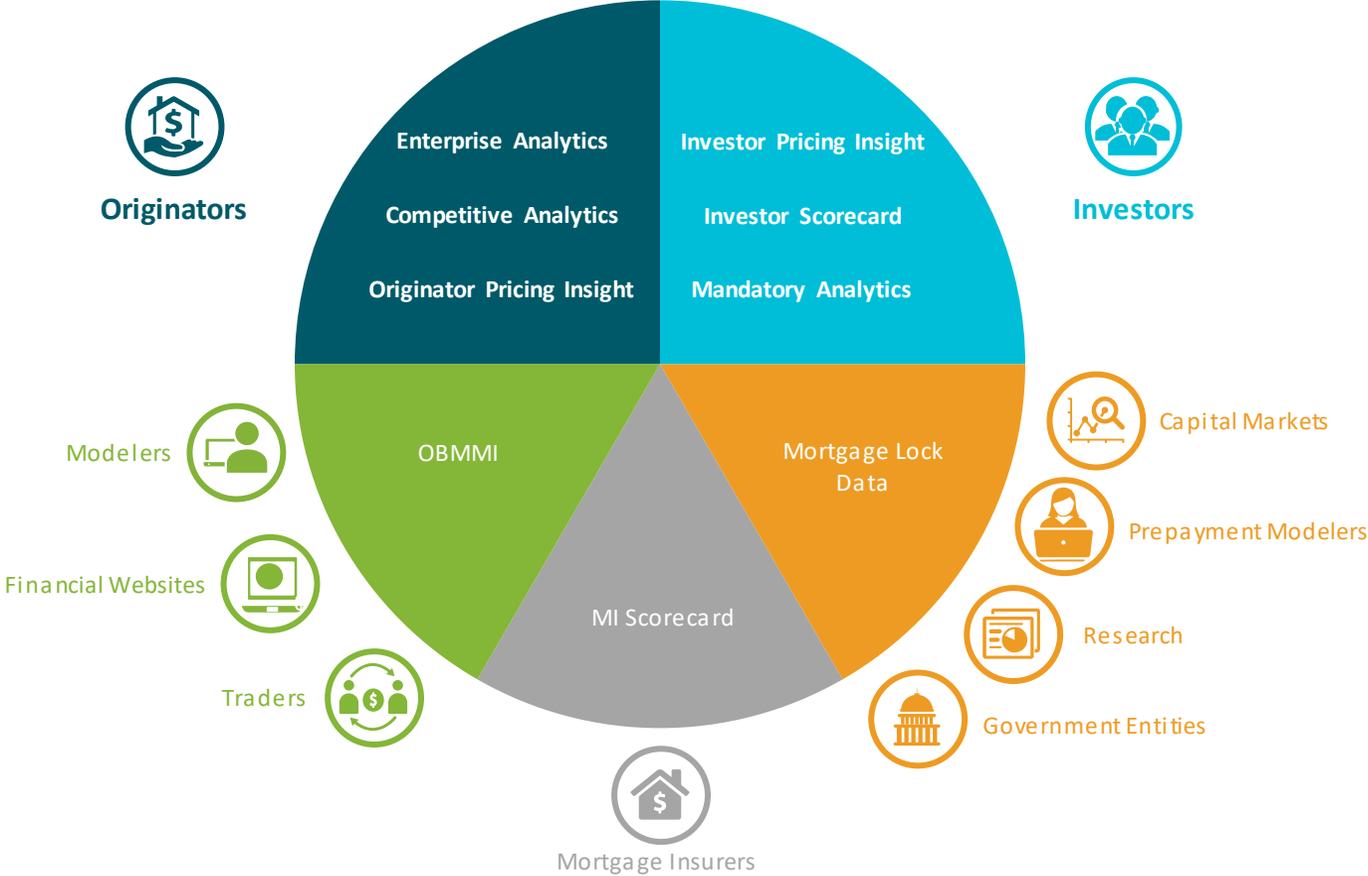


KEY BENEFITS

- Lenders can generate near-real-time, personalized pricing scenarios through the direct integration with Optimal Blue PPE, which calculates highly accurate pricing based on borrower-specific attributes, current market conditions, and the most up-to-date market and lender-specific margin structures.
- Able to select data to send to the lender's CRM
- PPE Product Comparison allows a side-by-side comparison of up to 3 products
- For new customers, provides various products, scenarios, rates and lock terms
- Alerts the Loan Officer when a certain rate or P&I payment is available to the customer



SMT Data and Analytics Product Landscape



APPENDIX



Optimal Blue Holdco, LLC (“OB Holdco”) Deal Structure: Key Highlights

SUMMARY

- Black Knight contributed \$762 million of cash plus Compass Analytics for a 60% ownership interest
- Cannae Holdings, LLC (“Cannae”), a subsidiary of Cannae Holdings, Inc., contributed \$289 million for a 20% ownership interest
- Certain affiliated investment funds of Thomas H. Lee Partners, L.P. (“THL”) contributed \$289 million for a 20% ownership interest
- In addition, Black Knight loaned \$500 million to OB Holdco
- **Put/Call Rights**
 - Three years after closing of the Optimal Blue acquisition, Black Knight has call rights on THL’s and Cannae’s interests in OB Holdco at a call price equal to the greater of (i) the fair market value of such interests and (ii) an amount that would result in the multiple of THL’s or Cannae’s return on investment to equal 2.0, as applicable
 - Three years after closing of the Optimal Blue acquisition, THL and Cannae will have the right to put their respective interests in OB Holdco at a put price equal to the fair market value of such interests



For Additional Information

Visit the Investor Relations Website

<https://Investor.BlackKnightInc.com>

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