

Real Estate Fintech Backflip Announces \$184 Million of Capital to Finance 'Value-Add' Residential Investments

Backflip partners with ECMC Group, Setpoint Management, Performance Trust, and key investors to fund Residential Transition Loans (RTL).

October 15, 2024

DALLAS--Backflip, the all-in-one fintech platform for real estate entrepreneurs, announced today that it has raised two private credit funds totaling \$30M of equity along with \$154M of asset-backed financing, equating to \$184 million in capital to fund residential transition loans (also known as "RTL" or "fix-and-flip mortgages").

Backflip grew its trailing 12-month origination volume 3x year-over-year to a \$375 million run rate despite housing market headwinds, with members analyzing an average of \$10 billion in properties each month on the Backflip app.

Backflip is catalyzing the future of real estate entrepreneurship through an end-to-end platform serving a like-minded community. The company's purpose-built technology and capital solutions enable members to efficiently manage their investment pipelines, secure financing, and grow their real estate investment business.

This capital raise enables Backflip to continue scaling its sought-after loan product offerings to members. The funding consists of a \$20 million joint venture with ECMC, and a \$10 million Backflip-managed private credit fund. Performance Trust arranged a \$100 million warehouse line and entities managed by Setpoint Management, LLC are providing a \$54 million credit facility.

The announcement comes at a time when sophisticated investors are demonstrating a strong appetite for the RTL asset class as they recognize the attractive risk-adjusted returns. The emergence of Morningstar's investment-grade ratings on RTL securitizations earlier this year has catalyzed an unprecedented influx of institutional investors to the sector. There were \$4 billion of RTL securitizations in the first half of 2024 alone, representing a 546% increase compared to the first half of 2023.

"Raising these private credit vehicles and the warehouse facilities allows Backflip to offer ever-improving capital products to our members doing the important work of rejuvenating obsolete homes. We are grateful for the trust and support of our capital partners, and are excited to be on the front lines of a rapidly-institutionalizing investment asset class," said Backflip Co-Founder and COO Jake Rome.

"We are excited to deepen our relationship with the Backflip team and have been big fans of their mission from the onset. There is a clear market need to support local real estate entrepreneurs with technology and capital products—Setpoint Management is enthused about partnering with Backflip and contributing to the solution," added Michael Lam, Co-Founder and CIO of Setpoint Management.

About Backflip

Backflip is a real estate financial technology company that supports entrepreneurs to acquire and renovate single family homes, thereby reinvigorating the housing supply and their local communities. The company offers purpose-built technology and capital products to source, analyze and finance residential real estate investments. Backflip is an all-in-one platform providing entrepreneurs with the technology, data, and financing strategies that allows them to scale their businesses. Visit www.backflip.com or download the app at the iOS App Store or Google Play Store to learn more. Backflip originates loans through its subsidiary, Double Backflip, LLC. NMLS DI # 2482717 - nm/sconsumeraccess.org. Equal Housing Lender.

About Setpoint Management

Setpoint Management is an SEC-registered investment adviser specializing in asset-backed debt solutions to corporate counterparties with strong balance sheets. Setpoint Management is affiliated with Setpoint Technologies Inc., a leading venture-backed technology company dedicated to transforming debt facility management into a modern, automated and precise system. To learn more, please visit www.setpoint.io.

About Performance Trust Capital Partners

Performance Trust is committed to helping financial institutions improve their long-term performance and deliver shareholder value. We are focused on creating unimaginable futures together and offer a unique and customized approach in the financial services industry. For more information, go to www.performancetrust.com. Performance Trust Capital Partners, LLC. Member FINRA/SIPC/NFA.

Contact

Everett Rosenfeld

backflip@onestrat.com