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# **Mortgage expert launches start-up to ‘pull back the curtain’ on industry**

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Brian Faux, co-founder and CEO of MortySource: Bowie Mok

When it comes to mortgages, there is little Brian Faux hasn’t seen. The 32-year-old worked in the industry before, during and after the 2007 real estate crash at places like [Wells Fargo](https://www.cnbc.com/quotes/?symbol=WFC), [Freddie Mac](https://www.cnbc.com/quotes/?symbol=FMCC), Long & Foster and other major players. In 2010, he helped rewrite federal mortgage policy as a senior advisor at the Federal Housing Administration.

Now, he’s building a start-up called [Morty](https://www.morty.co/) that he says could change the way mortgages are bought and sold.

Morty is a full-service mortgage broker that is completely digital. Users compare loan products from major lenders and can close a mortgage in about seven days, all without any paperwork or having to speak with a broker. The start-up reduces confusion for consumers and lowers application and closing fees, Faux said.

“The whole idea of Morty is really pulling back the curtain on the industry,” Faux, who is Morty’s co-founder and CEO, told CNBC.

Here is the problem Faux’s start-up aims to solve: A whopping 77 percent of borrowers end up applying with a single lender or broker, and don’t shop around for a better deal, according to the [Consumer Financial Protection Bureau](http://www.consumerfinance.gov/about-us/blog/nearly-half-of-mortgage-borrowers-dont-shop-around-when-they-buy-a-home/). Many prospective borrowers accept the first mortgage offer they receive, losing out on opportunities to compare other offers and save money.

“It’s extremely difficult to compare offers today,” Faux said. “Morty simplifies the whole process.”

Individual mortgage guidelines from a range of lenders are automatically uploaded into the start-up’s database. A prospective borrower enters his or her financial information and then an algorithm determines what offers are best. The website uses the same terms when comparing loans and gets rid of paperwork, bank visits and cuts down the time to close, Faux said.

Morty is different from online lenders like loanDepot or Quicken Loans in that it is a mortgage broker, not a direct lender. Consumers get access to a network of lenders — Quicken and loanDepot among them — and have access to the full suite of [Fannie Mae](https://www.cnbc.com/quotes/?symbol=undefined), Freddie Mac, FHA and jumbo loans.

“Most homebuyers pay thousands of dollars more in monthly payments, fees and closing costs than they should have to,” Morty co-founder and CTO Adam Rothblatt wrote in a recent blog post.

Rothblatt is a former algorithmic trader at Goldman Sachs. Working alongside Faux and Rothblatt are co-founder and COO Sarah Thomas, an attorney and entrepreneur who has worked at the White House, and co-founder and engineer Nora Apsel, who has worked in venture capital-backed start-ups for nearly a decade.

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-Brian Faux
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The group was selected to be a part of a competitive start-up incubator run by [Barclays Accelerator Program](http://www.barclaysaccelerator.com/#/) and Techstars. Faux declined to reveal how much funding Morty has raised.

Morty launched in January and is currently licensed to operate in Virginia, Washington D.C., Florida, Colorado and Oregon. The team plans to expand its licensing to 30 states, including New York, by 2017. A start-up called [Sindeo](https://www.sindeo.com/) offers similar services.

“We want to empower borrowers to make their own decisions,” said Faux.