A Rewards Credit Card that Rewards You For Paying Rent

**Overview:**

Bilt Technologies, Inc. DBA Bilt Rewards

Founded by Ankur Jain, June 2021

The idea came about when Jain realized that high prices of rent, often coupled with a large amount of student debt, was creating a big barrier to young people purchasing homes. Jain’s question was, “What if there were a way to turn renting into a pathway to home ownership?”\*

According to Crunchbase, the pre-seed stage was funded by Kairos HQ (a company earlier founded by Jain of which he is still the co-CEO) with $300k and the seed round was also funded by them, this time with $3M. The venture round raised $290M with investors such as Wells Fargo, Starwood Hotels & Resorts, MasterCard, and the Blackstone Group, among others. The Series B round raised an additional $150M and the pre-Money Valuation was $1.4B.\*\*

**Business Activities:**

Ankur Jain recognized there was a problem where the large portion of income many spend on rent created an impediment to eventual homeownership by both sapping their savings, doing nothing to improve their credit, and not only being their biggest expense, but also the only one that doesn't earn rewards or cash back like purchases on many credit cards does. By allowing card holders to charge rent or use the card to pay their rent check via a mailed in check, it enables them to earn points off this monthly expense and use the transaction to build credit.

The target customer base for this card is renters, especially young renters. The card aims to not only help young people move towards homeownership but also to build a loyal client base who will remain with the company for years to come.

This card is the first to offer reward points for paying rent. If your landlord won’t allow you to charge your rent, the card will mail them a check and you still earn points for the transaction. They also built an app to help clients figure out what kind of home purchase they can qualify for, what expenses to expect, and how they can use their earned points to help. One of their closest competitors, The Stake Debit Card, allows consumers to earn cash back on rental payments, but only if your landlord is signed up with their program. Bilt is different because they will mail rent checks to any landlord and consider that a transaction that you can earn points on. There are added bonuses if your landlord is signed up with the program but landlord participation is not required.

Bilt worked with Bold Tech and Retool to use some of Retool’s pre-designed components to allow to development of the app and software to be more efficient and expeditious. They also utilize CRUD dashboards that allow staff members to access data and perform complex data analytics without needing to be software engineers or write any code. Complex codes such as PostgreSQL, Redis Cache, and other APIs are used in the creation of the data structures but once they are moved into the Retool environment, programming knowledge is not needed to access the data or work with it. The company also uses technology to allow users who own multiple different properties on the platform to change information across multiple properties at once as opposed to having to manually make the same changes individually.\*\*\*

Bilt is a rewards based credit card. It is in competition with all other rewards based credit cards, of which there are many. It was the first of it’s kind to offer the ability to pay rent to any landlord through the card and earn points from that transaction. Bilt’s offering fits neatly in with the trend of how credit card companies have changed int the last 10 years as more and more cards have been increasing their rewards programs to increase their competitive edge in the marketplace.\*\*\*\*

**Result:**

Bilt is currently a privately held company and the impact of it is hard to measure as of yet. It aims to help users on the path to homeownership and that goal will be hard to measure until it has been in usage for more than two years.

**Recommendations:**

Bilt has a home buying tool that allows a person to enter their credit score, income, debts, and ideal monthly payments to help contextualize what kind of home they might be able to afford given these parameters and also tell them what kind of upfront costs they will need to have saved. Bilt could team with an existing bank to create these accounts and even negotiate offering rewards for funds that are held in the accounts for a period of time in addition to the interest to be earned. This would make the home buying predictor app more full service as it would not only predict how much savings you will need for your purchase goal but also to allow you to start saving directly through the app and track your savings accumulation alongside the savings requirement.

Another amazing feature that Bilt should implement would be to offer people 12 month loans to cover the initial property tax payment that is due when buying a home in an area where property taxes are collected annually. In my experience as a loan originator, I have seen that this portion of the initial upfront cost has a huge impact on peoples ability to purchase a home. It’s often the closing costs combined with the down payment that is more of an impediment to homeownership than the projected monthly payments. By offering an installment loan for 12 months to cover the first year of property tax that is often due at closing, this debt would not be included in the customers debt-to-income calculation, and would therefore not have an impact on the customers qualification for the mortgage.

Both of these recommendations would have a great earning potential for Bilt as well as being features that keep with the company’s mission. In partnering with a bank to offer savings accounts, Bilt could earn a transaction fee from the bank who is now the holder of these preferred savings accounts.

The 12 month installment loan to assist with the property tax obligation would be an interest earning loan that would be a great revenue source for the company. It would also serve to increasing client loyalty, Bilt could market this as a graduation present from the renter module of their product and create a Bilt home owner card where customers could earn points on paying their mortgage or home owners insurance and use these points on home renovations or their insurance policies.

To achieve these goals, Bilt would have to add two more lines of credit to the one clients already have, one to allow them to transfer money in for the savings account, and the other for the line of credit that is for the property tax payment as well as expand their current platform so clients could easily see all the aspects of their financial plan and health.

Sources:

\* Entrepreneur.com <https://www.entrepreneur.com/growing-a-business/this-new-credit-card-can-help-you-buy-a-home-but-creating/379770>

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\*\*\* <https://blog.boldtech.dev/bilt-on-retool-a-bold-tech-client-case-study/>

\*\*\*\* https://www.nerdwallet.com/article/credit-cards/3-big-ways-credit-cards-changed-this-decade