

SuprFi Product Strategy 2.0

Tech-Enabled Direct Lending for Home Services

November 2025

Executive Summary

SuprFi will pivot to be a direct-to-consumer specialty lender focused exclusively on home services repairs and improvements. We will build a technology-enabled lending business that originates, underwrites, and services loans directly to homeowners, using a preferred contractor network for customer acquisition and fulfillment.

Key Strategic Elements:

1. **Direct Lending Model:** We own the customer relationship and control the entire lending process, avoiding commoditization of embedded lending
2. **CRM Integration as Distribution:** While maintaining our direct model, we'll integrate with major CRMs (FieldRoutes, Jobber, ServiceTitan) to reduce friction for contractors and access customer flow - but as a channel, not our identity
3. **Data as Competitive Moat:** By combining direct lending data with CRM integration insights, we'll build the most comprehensive dataset on home services financing, enabling superior underwriting, new revenue streams, and long-term defensibility
4. **Path to Profitability:** Clear trajectory to \$50-100M revenue and 30%+ EBITDA margins within 5 years, with PE exit potential of \$300-500M

This model avoids the commoditization trap of pure embedded lending while building multiple defensible advantages through customer ownership, strategic CRM partnerships, and proprietary data assets.

Core Thesis: The home services lending market needs a specialized lender that combines the operational efficiency of CRM integration with the strategic advantages of direct customer relationships and data ownership - not another generic embedded financing widget.

1. Market Analysis & Opportunity

1.1 The Problem We're Actually Solving

For Homeowners: - Banks take 1-2 weeks for personal loans, won't approve small amounts
- Credit cards have 25%+ APR and low limits - Home equity products are overkill for a \$5,000 repair - Generic lenders don't understand home services context

For Contractors: - 30-40% of quotes fail due to financing - Embedded solutions require workflow changes - Current lenders don't pay contractors directly (fraud risk) - No reward for bringing customers

1.2 Market Sizing

- **TAM:** \$500B+ annual home services spend
- **SAM:** \$75B in services requiring financing (\$2.5K-\$25K range)
- **SOM:** \$5B realistic addressable market in first 5 years
- **Target:** 0.5-1% market share = \$250-500M annual originations by year 5

1.3 Why Now?

1. **Rising rates:** Home equity lines less attractive for small repairs
 2. **Aging housing stock:** Average US home is 40+ years old
 3. **Insurance gaps:** Deductibles rising, coverage declining
 4. **Digital adoption:** Contractors and homeowners expect instant decisions
 5. **Capital markets:** Growing appetite for specialty consumer loan portfolios
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2. Product Strategy

2.1 Core Product Positioning

“The Home Repair Financing Specialists”

We are NOT: - A marketplace

- An embedded lender

- A home equity alternative

We ARE:

- A direct lender specializing in home services

- A technology company that happens to lend

- A contractor's trusted payment partner

- A homeowner's emergency repair safety net

- A BNPL provider

2.2 Product Architecture

Customer Channels	
Direct (60%)	Contractor Referred (40%)
SuprFi Lending Platform	
<ul style="list-style-type: none">• Instant Underwriting Engine• Fraud Detection System• Contractor Network Management• Loan Servicing Platform	
Capital Partners	
<ul style="list-style-type: none">• Warehouse Lines• Forward Flow Agreements• Securitization (Year 3+)	

2.3 Core Product Features

Customer-Facing App/Web: - 2-minute application (mobile-first) - Plaid integration for instant bank verification - Real-time soft credit pull + decision - Photo upload for quotes/invoices - Contractor selection from preferred network - Loan dashboard with payment management

Contractor Portal: - QR code/link generator for customers - Real-time application status tracking - Direct payment confirmation - Performance dashboard - Commission tracking

Internal Operations Platform: - ML-based underwriting engine - Fraud detection algorithms - Contractor vetting system - Collections workflow automation - Portfolio analytics dashboard

2.4 Loan Product Design

Standard Product: - Amount: \$2,500 - \$25,000 - Term: 12-60 months - APR: 14.99% - 29.99% (risk-based pricing) - Origination fee: 3-5% - Time to decision: <5 minutes - Time to funding: 24 hours

Emergency Repair Express: - Amount: \$500 - \$5,000 - Term: 3-18 months - Simplified underwriting (bank data + soft pull) - Instant approval for qualified customers

3. Go-to-Market Strategy

3.1 Customer Acquisition Channels

Phase 1 (Months 1-6): Foundation - Focus: Southeast region (Florida, Georgia, South Carolina, North Carolina) - Target: Pest Control, Generator, Lawn Management - Channels: - Paid search (Google/Bing) - 40% of acquisition - Contractor referrals - 30% - Social media (Facebook/NextDoor) - 20% - Insurance partner referrals - 10%

Phase 2 (Months 7-18): Expansion - Expand to Texas, Arizona, Nevada - Add HVAC, roofing, plumbing emergencies and electrical - Launch affiliate program with home inspectors - Partner with 2-3 regional property management companies

Phase 3 (Months 19-36): Scale - National coverage (focus on top 30 metros) - Launch “SuprFi Preferred Contractor” certification - Employer partnership channel (employee benefit) - White-label offering for large contractors

3.2 CRM Integration Strategy (Channel, Not Identity)

Smart CRM Integration Approach:

While we’re a direct lender, not an embedded lender, CRM integrations serve as powerful distribution channels that benefit everyone:

Integration Priority: 1. **FieldRoutes** (ServiceTitan subsidiary) - Pest control focus 2. **Jobber** - General home services 3. **Housecall Pro** - HVAC/Plumbing focus 4. **ServiceTitan** - Enterprise (Year 2+)

How This Differs from Embedded Lending: - **We own the customer relationship** - customers create SuprFi accounts - **We control underwriting** - not dependent on CRM data alone - **Merchants choose us** - we’re one option, not trying to be the only option - **Direct relationship with borrower** - servicing, collections, repeat loans all through SuprFi

CRM Integration Features: - **One-click financing offer** in quote/invoice workflow - **Pre-populated application** (customer data from CRM) - **Real-time status sync** (approved/funded/paid) - **Automatic reconciliation** (payment matches to invoice) - **Commission tracking** for merchants

Why Merchants Will Push SuprFi: - **Zero workflow disruption** - works within their existing system - **Higher close rates** - instant approval during quote - **Automatic reconciliation** - no manual payment matching - **Direct contractor payment** - no chasing customer for money - **Performance incentives** - 2-3% referral fee on funded loans

This approach gives us the best of both worlds: the operational efficiency merchants want while maintaining our direct lending model and customer ownership.

3.3 Contractor Network Strategy

Not a marketplace, but a fulfillment network:

Contractor Tiers: 1. **Certified Partners** (Top 20%) - Highest referral rates (3% of loan value) - Priority customer routing - Co-marketing opportunities - Requires: <2% complaint rate, <5% default correlation

2. **Verified Network** (Middle 60%)
 - Standard referral rate (2%)
 - Listed in customer app
 - Basic marketing materials
 - Requires: License verification, insurance, 2+ completed jobs
3. **Probationary** (Bottom 20%)
 - Lower referral rate (1%)
 - Limited customer exposure
 - Performance improvement required

Contractor Acquisition: - Direct sales to top 500 home service companies - Self-serve portal for smaller contractors - Referral bonuses for bringing other contractors

3.3 Competitive Differentiation

Feature	SuprFi	Banks	Wisetack	GreenSky
Time to Decision	5 min	2-5 days	30 min	15 min
Direct to Consumer	Yes	Yes	No	No
Contractor Paid Directly	Yes	No	Yes	Yes
Specialized Underwriting	Yes	No	No	No
Mobile-First	Yes	No	Yes	No
Contractor Rewards	Yes	No	No	Yes

4. Technology Roadmap

4.1 MVP

- Basic loan application (web / mweb)
- Plaid integration
- Simple underwriting rules engine
- Manual contractor verification
- Third-party servicing
- **FieldRoutes API integration (read/write for customer and job data)**

4.2 Version 1.0

- Mobile app launch
- ML-based underwriting
- Contractor portal
- Automated fraud detection

- In-house servicing capability
- **Jobber and Housecall Pro integrations**
- **CRM webhook infrastructure for real-time updates**
- **Basic data warehouse setup**

4.3 Version 2.0

- Contractor network management system
- Advanced fraud models
- A/B testing framework
- API for large contractors
- Collections optimization
- **ServiceTitan integration (enterprise)**
- **Advanced data analytics platform**
- **Predictive underwriting models using CRM data**

4.4 Version 3.0

- Predictive maintenance alerts
- Seasonal pre-qualification campaigns
- White-label platform
- Securitization support systems
- Advanced portfolio analytics
- **AI-powered contractor scoring**
- **Data products and API monetization**
- **Full bi-directional sync with major CRMs**

5. Underwriting Innovation

5.1 Traditional Signals

- FICO score (minimum 580)
- Income verification (Plaid)
- DTI ratio (<50%)
- Bank account stability

5.2 Proprietary Signals

- **Contractor Quality Score:** Historical default rates by contractor
- **Job Type Risk:** HVAC emergency vs. kitchen remodel
- **Seasonal Patterns:** AC repairs in July vs. February
- **Home Value Delta:** Zillow estimate vs. loan amount
- **Urgency Score:** Emergency vs. planned improvement

5.3 Fraud Prevention

- Contractor license verification (real-time)
- Job photo requirement with AI verification
- Geolocation matching (contractor, customer, property)
- Velocity checks (same contractor, multiple applications)
- Post-job completion verification

6. Data Strategy - The Hidden Competitive Advantage

6.1 The Data Moat Thesis

While we're building a lending business, our long-term competitive advantage comes from owning the most comprehensive dataset on home services financing behavior. This data becomes increasingly valuable over time and creates multiple monetization opportunities.

6.2 Unique Data We'll Capture

Transaction-Level Data: - Job type, urgency, seasonality - Quote-to-close conversion rates by service type - Actual cost vs. estimated cost - Time from approval to job completion - Payment performance by job type

Contractor Performance Data: - Completion rates by contractor - Customer satisfaction scores - Correlation with loan performance - Pricing variations by geography - Warranty claim rates

Consumer Behavior Data: - Repair frequency by home age/location - Seasonal patterns by region - Cross-service purchasing (HVAC → Plumbing) - Emergency vs. planned improvement patterns - Refinancing appetite

Market Intelligence Data: - Real-time pricing by service/geography - Demand patterns by season/weather - Contractor capacity utilization - Insurance claim correlations

6.3 How This Data Creates Value

Immediate Applications (Years 1-2):

1. **Superior Underwriting**
 - Predict default risk by job type + contractor + season
 - Price loans more accurately than competitors
 - Reduce fraud through pattern recognition
2. **Dynamic Pricing**
 - Adjust rates based on contractor quality
 - Seasonal pricing optimization
 - Geographic risk adjustments
3. **Contractor Scoring**
 - Rate contractors on loan performance impact

- Premium referrals for top performers
- Early warning system for problematic contractors

Medium-Term Opportunities (Years 2-3):

- 4. Predictive Lead Generation**
 - Identify homes likely to need repairs
 - Pre-qualify and market before emergency
 - Seasonal campaigns (AC before summer)
- 5. Insurance Partnerships**
 - Provide actuarial data for home warranty pricing
 - Identify claim fraud patterns
 - Risk assessment for policy underwriting
- 6. Contractor Intelligence Platform (\$50-100/month SaaS)**
 - Benchmarking against peers
 - Demand forecasting by service
 - Optimal pricing recommendations

Long-Term Monetization (Years 3-5):

- 7. Data Licensing**
 - Sell aggregated insights to:
 - Insurance companies
 - Real estate platforms
 - Home warranty providers
 - Investment firms
 - Potential revenue: \$5-10M annually
- 8. AI-Powered Products**
 - Automated home maintenance planning
 - Repair cost estimation API
 - Contractor-customer matching algorithm
 - Fraud detection as a service

6.4 Data Collection Strategy

Through Direct Channels: - Every loan application - All payment performance - Customer service interactions - Mobile app engagement

Through CRM Integrations: - Complete job history (not just financed) - Inventory and parts data - Technician performance metrics - Schedule and routing patterns

Through Contractor Network: - Pricing for all quotes (not just financed) - Win/loss reasons - Customer feedback - Completion timeframes

Through Partnerships: - Weather data correlation - Home value changes - Insurance claims data - Utility usage patterns

6.5 Building the Data Infrastructure

Year 1: Foundation - Basic data warehouse (Snowflake/BigQuery) - Event tracking infrastructure - Core dashboards and reporting - Initial ML models for underwriting

Year 2: Intelligence Layer - Real-time data pipeline - Advanced analytics platform - Predictive models for multiple use cases - API infrastructure for data products

Year 3: Monetization - Data products for contractors - Enterprise data licensing - AI-powered decision tools - Industry benchmarking reports

6.6 Privacy and Compliance

Core Principles: - Transparent data usage policies - Explicit consent for data sharing - Anonymization for all shared insights - CCPA/GDPR compliance from day one - Regular third-party audits

Value Exchange: - Customers get: Better rates, faster approvals - Contractors get: More referrals, business insights - SuprFi gets: Competitive advantage, new revenue streams

6.7 Why This Data Strategy Is Defensible

1. **Time Advantage:** Every day we collect data competitors don't have
2. **Unique Access:** CRM integrations + direct lending gives us full picture
3. **Network Effects:** More contractors → more data → better products → more contractors
4. **Compound Value:** Historical data becomes more valuable over time
5. **Multiple Moats:** Even if competitors copy model, they lack our data

6.8 The Exit Value of Data

When positioning for exit in years 5-7, our data asset adds significant value:

- **For PE Buyers:** Proprietary data supports premium pricing and expansion
- **For Strategic Buyers:** Instant competitive advantage in home services
- **For Financial Buyers:** De-risked loan portfolio with predictive insights
- **Valuation Impact:** Could add 2-3x multiple turns (\$50-100M in exit value)

This data strategy transforms SuprFi from just another lender into an intelligence platform that happens to lend money - a much more valuable and defensible position.

7. Financial Model & Unit Economics

7.1 Revenue Streams

Primary Revenue: - Interest income: ~18% weighted average - Origination fees: 3-5% of loan amount - Late fees: ~2% of revenue

Secondary Revenue: - Contractor referral fees: 2-3% of loan value - Servicing fees: On sold loans - Data/leads: Declined applicants (with consent)

7.2 Unit Economics

Per \$5,000 Loan: - Gross interest over life: \$1,200 - Origination fee: \$200 - **Total Revenue:** \$1,400

Costs: - Cost of capital: \$400 - Acquisition cost: \$150 - Servicing cost: \$100 - Defaults (5% net): \$250 - **Total Costs:** \$900

Contribution Margin: \$500 (36%)

7.3 Five-Year Projection

Year	Originations	Revenue	EBITDA	EBITDA %
1	\$10M	\$1.8M	-\$2M	-110%
2	\$35M	\$6.3M	-\$0.5M	-8%
3	\$100M	\$18M	\$4M	22%
4	\$250M	\$45M	\$13M	29%
5	\$500M	\$90M	\$31M	34%

8. Capital Strategy

8.1 Equity Needs

- **Seed:** \$3-5M (product build, initial team)
- **Series A:** \$10-15M (launch, initial loan book)
- **Series B:** \$20-30M (geographic expansion)
- **Total Equity:** \$35-50M to profitability

8.2 Debt Facilities

Phase 1: Forward Flow Agreement - Partner with established buyer - Sell loans immediately after origination - No balance sheet risk

Phase 2: Warehouse Line - \$25-50M initial facility - 80% advance rate - Lower cost of capital

Phase 3: Securitization - Package and sell loan portfolios - Retain servicing rights - Optimize capital efficiency

8.3 Exit Strategy

Target Acquirers (Year 5-7): - PE firms specializing in financial services - Regional banks seeking digital capabilities - Large specialty finance companies - Strategic players (Synchrony, Affirm)

Valuation Framework: - Specialty lenders trade at 8-12x EBITDA - $\$31\text{M EBITDA} \times 10\text{x} = \310M valuation - Return to investors: 6-8x on \$50M invested

9. Risk Management

9.1 Credit Risk

- **Mitigation:** Diversified portfolio, conservative underwriting
- **Monitoring:** Daily vintage curves, roll rates
- **Action:** Dynamic pricing adjustments

9.2 Regulatory Risk

- **Mitigation:** State-by-state licensing, compliance team
- **Monitoring:** Regular audits, legal reviews
- **Action:** Proactive regulator engagement

9.3 Fraud Risk

- **Mitigation:** Multi-layer verification, contractor vetting
- **Monitoring:** Pattern detection, anomaly alerts
- **Action:** Rapid contractor termination, law enforcement

9.4 Competition Risk

- **Mitigation:** Deep contractor relationships, superior UX
- **Monitoring:** Win/loss analysis, pricing surveys
- **Action:** Continuous product iteration

10. Team & Hiring Plan

10.1 Immediate Hires (Months 1-6)

1. Head of Engineering
2. Head of Risk/Underwriting
3. Head of Capital Markets
4. Senior Full-Stack Engineers (3)
5. Data Scientist

10.2 Growth Hires (Months 7-18)

6. Head of Sales (Contractor Network)

7. Head of Marketing
8. Risk Analysts (2)
9. Customer Success Team (4)
10. Compliance Officer

10.3 Scale Hires (Months 19+)

- Regional sales managers
- Collections team
- Additional engineers
- Finance team

11. Success Metrics & Milestones

11.1 Key Performance Indicators

Growth Metrics: - Monthly origination volume - Number of active contractors - Geographic coverage - Repeat customer rate

Quality Metrics: - Approval rate - Default rate by vintage - Net Promoter Score - Contractor satisfaction score

Efficiency Metrics: - Cost per acquisition - Time to funding - Servicing cost per loan - Employee productivity

11.2 Major Milestones

Year 1: - Q1: Product launch, first 100 loans - Q2: 500 contractors onboard - Q3: \$1M monthly originations - Q4: Warehouse line secured

Year 2: - Q1: Launch in 3 new states - Q2: 10,000 total loans originated - Q3: Break even on unit economics - Q4: Series A closed

Year 3: - Q1: National coverage (30 states) - Q2: \$10M monthly originations - Q3: First securitization - Q4: EBITDA positive

12. Why This Strategy Wins

12.1 Defensibility

Unlike embedded lending, we build multiple moats: 1. **Direct customer relationships:** We own the borrower 2. **Proprietary underwriting data:** Contractor performance database 3. **Network effects:** More contractors → more customers → better data 4. **Capital relationships:** Takes years to build 5. **Regulatory licenses:** State-by-state barriers

12.2 Scalability

- Technology handles marginal volume at near-zero cost
- Contractor network provides free acquisition
- Repeat customers lower CAC over time
- Geographic expansion straightforward

12.3 Profitability

- High gross margins (35-40%)
- Negative working capital (collect before paying contractors)
- Multiple revenue streams per customer
- Clear path to 30%+ EBITDA margins

13. Decision Points & Pivots

13.1 Key Decision Points

Month 6: Evaluate product-market fit - If approval rates <20%, adjust underwriting - If CAC >\$200, pivot acquisition channels - If contractor adoption <100, revisit value prop

Month 12: Assess unit economics - If contribution margin <25%, adjust pricing - If defaults >7%, tighten underwriting - If repeat rate <20%, improve customer experience

Month 24: Strategic direction - If growth exceeds plan, raise growth capital - If growth lags, consider acquisition offers - If regulatory challenges, explore bank partnership

13.2 Potential Pivots

If direct lending proves too capital intensive: - Partner with bank for balance sheet - Focus on lead generation model - White-label technology to other lenders

If contractor channel doesn't scale: - Double down on direct-to-consumer - Partner with home warranty companies - Explore employer channel aggressively

14. Competitive Response Strategy

14.1 If Wisetack Goes Direct-to-Consumer

- Emphasize our speed and simplicity
- Leverage contractor relationships
- Compete on customer service

14.2 If ServiceTitan Builds Native Lending

- Target contractors not on ServiceTitan
- Offer better economics to contractors
- Focus on consumer acquisition

14.3 If Banks Enter Small-Dollar Home Services

- Compete on speed and convenience
- Target lower credit segments
- Emphasize specialization

15. The Path Forward

15.1 Immediate Next Steps

1. Validate assumptions with the a handful of contractors
2. Build financial model with detailed assumptions
3. Create MVP and tech architecture
4. Engage 2-3 forward-flow partners
5. Begin fundraising conversations

15.2 Go/No-Go Criteria

GO if: - Can raise \$3-5M seed on reasonable terms - Find forward-flow partner at <8% cost - Get 10+ contractors committed to pilot - Regulatory review shows clear path

NO-GO if: - Seed funding requires >20% dilution - Cost of capital exceeds 10% - Major regulatory barriers discovered - Contractor interest lukewarm

Conclusion

SuprFi's direct lending approach represents a more defensible, profitable path than embedded financing. By combining modern technology with traditional lending discipline, we can build a specialty finance company that serves an underserved market while generating attractive returns.

This is not a winner-take-all market, nor does it need to be. By focusing on excellent execution, conservative underwriting, and strong contractor relationships, we can build a \$100M+ revenue business that improves home services financing for everyone involved.

The question is not whether this model can work - companies like OneMain and Mariner prove it can. The question is whether we can execute better than incumbents by leveraging technology and focusing exclusively on home services.