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Entrepreneur Launches Mortgage Application; Signs Up Client

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Commercial Real Estate Direct Staff Report

There's a new player helping lenders automate their commercial mortgage underwriting procedures.

Just when it appeared that not even heavily financed operations could make a go of developing and marketing software for the mortgage industry, a small entrepreneurial shop in the San Francisco suburbs has put together a powerful Web-based platform and has licensed it to RBS Greenwich Capital.

[Backshop Inc.](#), which is based in Sausalito, Calif., has spent more than a year developing its cUnderwriter platform.

It becomes one of three major platforms that commercial mortgage lenders have to choose from. The others are Deal Central, which MortgageRamp has developed, and [Bluewire, which was developed by CapitalThinking Inc. and will now be offered by its acquirer, Capital Stream Inc.](#)

MortgageRamp was initially funded by GMAC Commercial Mortgage and raised another \$50 million from investors, while CapitalThinking raised more than \$35 million of venture capital. Backshop, on the other hand, has been funded with substantially less.

The company was founded by Jim Flaherty, its president. Its predecessor was an active due diligence contractor that reviewed more than 1,200 mortgages totaling some \$6.5 billion. Aware of the challenges that underwriters face in analyzing leases in properties securing potential mortgages, Flaherty started developing a Web-based platform that would allow a lender to manage a loan origination from application to securitization. But he sought to differentiate his offering from others by, among other things, integrating a lease and credit analysis module into cUnderwriter.

The system is expected to replace a variety of applications now in use at Greenwich, which will use cUnderwriter to manage its deal pipeline, underwrite loans and prepare asset summaries for their ultimate securitization.

"The efficiencies we've gained in all aspects of our business will pay for the cost of the application many times over," said Perry Gershon, managing director of Greenwich.

One of cUnderwriter's key selling points is its flexibility and the fact that a user can license and use it immediately. Most other systems in existence require at least some customization before they can become fully functional for a user. Although prices haven't been determined yet, Backshop will market the system to mortgage brokers as a way to track their loan pipelines as well as to lenders – big and small – as a full-blown underwriting tool.

So brokers, for instance, can immediately start tracking and updating their lending pipeline. And because the system is Web-based, a broker can give third-party service providers and potential lenders access to view and update specific information in a loan application.

Comments? E-mail [Orest Mandzy](#), or call him at (215) 504-2860, Ext. 211.

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