

How MAINSTREET REALTORS® is building value for agents and brokers with FOREWARN



FOREWARN®

a red violet company
(NASDAQ: RDVT)



FINDING OPPORTUNITIES TO DEMONSTRATE VALUE OUTSIDE THE MLS

Local REALTOR® associations are intensely member-driven organizations that rely on retention to sustain revenue. When joining an association is not a prerequisite for gaining MLS access, the ability of an association to demonstrate additional value to their current and potential agent and broker members becomes a critical business priority that can determine the success and survival of the association.



HOW MAINSTREET ORGANIZATION OF REALTORS® MET THIS CHALLENGE

John Gormley, CEO of Mainstreet REALTORS® in Chicago, U.S., has worked in residential real estate for more than two decades and has experience in associations at the local- and state-level. Mainstreet REALTORS® is one of the many associations across the country that does not operate its own MLS, which allows Gormley to focus his efforts on implementing new ways the association can provide additional value to its approximately 20,000 members.

Gormley and his 34 full-time employees recognize the challenge they face: They need to keep their current 20,000 members engaged and happy through frequent pulse-checks with association members, and they must continually seek out new tools and benefits that offer wide appeal and create opportunities to recruit new members. It was through this two-fold challenge that Mainstreet REALTORS® was able to recognize a significant concern being experienced by their members and provide a solution that would help to mitigate the issue while demonstrating enhanced value to association membership.

IDENTIFYING THE CONCERN: AGENTS AT RISK

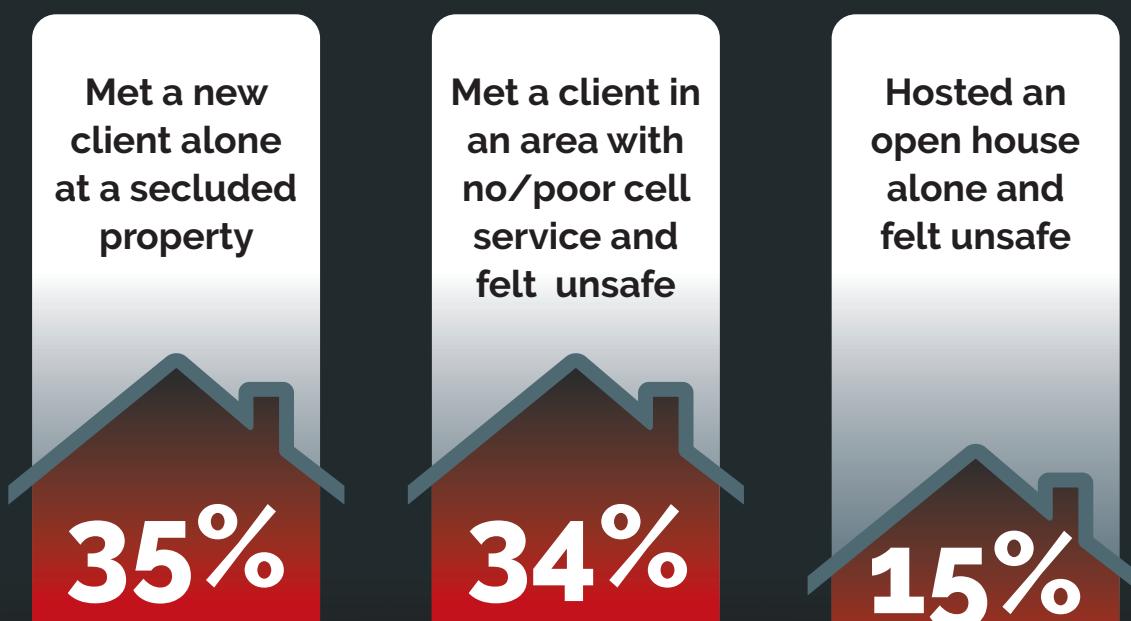


Source: National Association of REALTORS® 2023 Member Safety Residential Report

A 2023 survey conducted by the National Association of REALTORS® revealed that 22% of respondents had experienced a situation in their work that made them fear for their personal safety or the security of their personal information.¹ The longer an agent has been in real estate, the chance they would encounter a situation like this at some point—or multiple points—throughout their career gets even higher.

And while due diligence when meeting a new or not-well-known client is always advised, the reality is that time is of the essence when it comes to maintaining a pipeline of clients. More simply, agents are busy, as are their clients. The nature of the business dictates that agents are typically on-the-go, working from their car and via their phone. It's not always practical or even possible to verify their prospects' identities—let alone be able to verify any criminal history or financial red flags—as they are actively on their way to a showing for a client that can only view the listing same-day. As such, personal safety measures are often sacrificed for a potential sale.

RISK AT A GLANCE



Source: National Association of REALTORS® 2023 Member Safety Residential Report

Gormley notes that Mainstreet REALTORS® recognized the need for a quick, simple way for agents to proactively execute their due diligence ahead of meeting clients in private, potentially remote locations.



THE KEY TO HELPING AGENTS STAY SAFE:
MAKING DUE DILIGENCE MORE ACCESSIBLE

Once Mainstreet REALTORS® determined the need for a better way to screen prospects, they began investigating options that would provide agents with a more streamlined, mobile method for identity verification as well as criminal history, bankruptcies or foreclosures, and current property asset verification. With these needs in mind, FOREWARN was the early and clear choice for Mainstreet REALTORS®.

At its core, FOREWARN is a safety and antifraud application for real estate agents. It allows users to perform on-the-go, real-time verification on any prospective client with as little as a phone number.

With minimal information ahead of a showing, the agent can:



Verify identities



Identify possible criminal history



Validate financial data such as bankruptcies, liens, judgments, and foreclosures



Confirm current assets such as property and vehicle ownership

Many identity verification platforms are designed for large financial institutions, making them expensive and requiring a complex and time-consuming integration process. Additionally, these platforms are typically optimized for use solely on a desktop computer which negates the mobile accessibility that agents need most. Built for organizations of all types and sizes, FOREWARN can verify identities with as little as an incoming phone number.

Beyond verifying a prospect's identity, it also provides more detailed criminal and financial information than any other option on the market for agents.

TOP FRAUD FOR AGENTS



Fraudulent listing



Identity theft



Wire transfer scams



This information is a double benefit for an agent," notes Gormley. "It allows them to protect themselves against dangerous situations and mitigates the risk of meeting a prospect who isn't who they claim to be or is misrepresenting their financial situation for personal gain."

The Internet Crime Complaint Center (IC3)'s 2022 Internet Crime Report noted that business email compromise—which includes real estate wire transfer fraud—reached \$2.7 billion in reported losses in 2022.² Additionally, according to the FBI's Internet Crime Complaint Center (IC3) which provides the public with a means of reporting Internet-facilitated crimes, there has been a steady increase in real estate/rental scams over the last three years. In 2021, reported losses reached \$3.5 million nationwide, a 64% increase from the previous year.³



AN IMPROVED ASSOCIATION VALUE PROPOSITION

Gormley says that it was an easy decision to add FOREWARN as a benefit to Mainstreet REALTORS® at no additional cost to the member, meaning that all 20,000 members now have complementary access to this powerful resource.

Since launch, FOREWARN has quickly achieved the strongest adoption rate of Mainstreet's member benefits with up to 10,000 members each month using it an average of ten times or more.

"We're all thinking about our value proposition," noted Gormley. In the Chicago area, REALTORS® have a board-of-choice situation; they get to choose which local association to join. Gormley believes that FOREWARN has helped increase his membership despite Mainstreet's competitive marketplace.

Like Mainstreet, every REALTOR® association in the country should be looking at ways to improve their value proposition, whether they offer an MLS or not. Each organization needs to understand the concerns of their members to provide the most valuable tools and services to those agents and brokers. FOREWARN is both convenient and easy to use, and it helps agents do their job more safely.



FOREWARN®

FOREWARN is an intuitive, easy-to-use identity verification and risk assessment app designed to empower professionals to better understand customers and serve them more effectively. By delivering instant knowledge of identity information, criminal history, financial risks, and more, FOREWARN simplifies risk assessment and increases user confidence before meeting with unknown prospects.

FOREWARN leverages leading-edge, proprietary technology and a massive data repository covering nearly 100% of the U.S. adult population. Verify identity, view criminal histories, and more—all at your fingertips.



A woman in a red blazer is smiling and looking at her smartphone. She is holding the phone with both hands, and her fingers are visible on the screen. In her other hand, she is holding a pen and a notepad, suggesting she is working or reviewing information. The background is blurred, focusing on her and her interaction with the phone.

Learn more at www.forewarn.com

¹ 2023 Member Safety Residential Report, National Association of REALTORS®

² Spring brings homebuying season and increased risk of wire fraud

³ FBI Warns of Spike in Rental and Real Estate Scams