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## Quicken Loans IPO: Why it may need the cash and who gets rich

By Susan Tompor and JC Reindl (excerpt)  
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If and when Quicken Loans launches an initial public offering this year, the event could upend the business pecking order in Detroit — at least in the eyes of Wall Street.

With a potential valuation in the "tens of billions," according to a report by CNBC, the downtown-based mortgage giant could potentially exceed the market value of Ford Motor Co. (\$25 billion) and perhaps approach that of General Motors (\$38 billion). In such a scenario, the Quicken IPO could be the moment that Detroit becomes as much the Mortgage City as it is the Motor City. ...

... Even though the U.S. entered a pandemic-caused recession in March and unemployment is likely still above 15% nationwide, media reports show how some companies, especially tech companies, have been racing to go public and take advantage of the rebounding stock market.

Names like ZoomInfo, the business data software company; recording label Warner Music Group; and online used car seller Vroom all had IPOs in recent weeks that had a great deal of appeal for investors.

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... "The environment is good for IPOs in general," said David Kudla, CEO of Mainstay Capital Management. "Quicken is at an advantage compared to many new businesses coming to market for an (IPO) in that they are an established brand and a company with a stable, profitable business model."

The largest IPO in Michigan took place nearly 10 years ago when GM raised \$20.1 billion at \$33 a share. Fresh from bankruptcy, the automaker raised far more than the \$13 billion that was originally projected, thanks to increased demand from mutual funds and others.

Money raised in the GM public offering went largely to the U.S. government, which ended up owning 61%

of GM after restructuring the automaker in federal bankruptcy court.

That big asterisk on GM's 2010 IPO is why Conway believes that a Quicken Loans IPO would be a bigger deal for Detroit.

"I would argue we've never had one this size," he said. "When GM had an IPO after the bankruptcy, that wasn't that exciting and that was a way for the government to get paid back." ...

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