

United States Senate

WASHINGTON, DC 20510

June 3, 2025

The Honorable Gail Slater
Assistant Attorney General
Antitrust Division
Department of Justice
950 Pennsylvania Avenue NW
Washington, DC 20530

The Honorable Andrew N. Ferguson
Chair
Federal Trade Commission
600 Pennsylvania Avenue NW
Washington, DC 20580

Dear Assistant Attorney General Slater and Chair Ferguson:

We write to express our concerns over the homeownership company Rocket Companies' (Rocket's) recent acquisition spree and your agencies' failure to challenge those acquisitions. This spring, Rocket announced plans to acquire the online real estate brokerage platform Redfin Corporation (Redfin) for \$1.75 billion and the mortgage company Mr. Cooper Group (Mr. Cooper) for \$9.4 billion.¹ Rocket already offers real estate brokerage and mortgage services through its companies Rocket Homes and Rocket Mortgage, and Rocket will use these mergers to significantly scale these businesses.² At a time when families already face a housing affordability crisis, these deals would combine the second-largest mortgage originator, the largest mortgage servicer, and the third-most-visited real estate brokerage website in the United States, into a massive, vertically integrated conglomerate that may reduce choice and raise prices for American families in the housing market.³ Yet the Department of Justice (DOJ) and the Federal Trade Commission (FTC) failed to challenge the Rocket-Redfin merger during the premerger review period required by the Hart-Scott-Rodino (HSR) Act.⁴ We ask that you explain why your agencies declined to challenge the Rocket-Redfin merger, and urge you to closely scrutinize Rocket's acquisition spree as a whole for anticompetitive harms to small businesses and consumers in the housing market.

¹ AP News, "Mortgage company Rocket buying Mr. Cooper in all-stock deal valued at \$9.4 billion," Michelle Chapman, March 31, 2025, <https://apnews.com/article/rocket-cooper-mortgage-73a7ad2cf98f21b81cdc1d54bfa4fe8b>.

² Rocket Companies, "Our companies," <https://www.rocketcompanies.com/our-companies/>.

³ CNBC, "The 10 largest mortgage lenders in the U.S.," Kelsey Neubauer, April 24, 2025, <https://www.cnbc.com/select/largest-mortgage-lenders/>; Rocket Companies, "Mr. Cooper, America's Largest Servicer, Joins Rocket, the Nation's Largest Lender," press release, March 31, 2025, <https://ir.rocketcompanies.com/news-and-events/press-releases/press-release-details/2025/Mr--Cooper-Americas-Largest-Servicer-Joins-Rocket-the-Nations-Largest-Lender/default.aspx>; Real Estate News, "Homes.com traffic up 200% — could it become a top portal?," AJ LaTrace, July 19, 2023, <https://www.realestatenews.com/2023/07/19/homes-com-traffic-up-200-could-it-become-a-top-portal>.

⁴ SEC, "Form 8-K," May 8, 2025, p. 2, <https://investors.redfin.com/financial-information/sec-filings/content/0001382821-25-000067/0001382821-25-000067.pdf>; FTC, "Premerger Notification and the Merger Review Process," <https://www.ftc.gov/advice-guidance/competition-guidance/guide-antitrust-laws/mergers/premerger-notification-merger-review-process>.

Rocket Is Attempting to Dominate the Entire Homebuying Process

Rocket is on an acquisition spree, attempting to create a “hyper-scaled homeownership platform” and exert control over each step of the homebuying process.⁵ Rocket will grow Rocket Homes by acquiring Redfin, a popular real estate search platform with 50 million monthly visitors, one million active listings, and 2,200 affiliated real estate agents across 42 states.⁶ In addition, Rocket will acquire Redfin’s vast amounts of data on homebuyers, sellers, and agents across 100 million properties.⁷ Rocket will grow Rocket Mortgage by acquiring Mr. Cooper, a mortgage servicing firm with seven million clients.⁸ Rocket’s acquisitions of Redfin and Mr. Cooper will lead to significant consolidation in the homebuying industry, discouraging competitors and steering millions of homebuyers into the Rocket ecosystem.

Under the Hart-Scott-Rodino Act, parties to certain large mergers must file premerger notification with DOJ and FTC so the agencies can assess the merger’s impact on competition, and the parties are only allowed to consummate the deal after a statutory waiting period expires.⁹ DOJ and FTC allowed the HSR waiting period for the Rocket-Redfin merger to expire on May 8, severely limiting the agencies’ ability to challenge the merger before it is finalized.¹⁰ The merger is still subject to other closing conditions, such as approval by Redfin’s stockholders.¹¹

Rocket May Steer Redfin Searches and Purchases to Rocket’s Real Estate Agents and Financing Products

If the proposed Rocket-Redfin merger succeeds, Rocket will be in position to steer Redfin users to Rocket’s real estate agents, directing business away from independent agents and brokerages. Rocket has suggested it will use Redfin’s 19 million data points on agent behavior to “match homebuyers with the best real estate agents ... across the combined companies,” thereby preventing independent agents from receiving that business.¹² Rocket’s CEO also said the acquisition will give Rocket’s broker network “access to a bigger ecosystem,”¹³ which may harm

⁵ Rocket Companies, “Rocket Companies to acquire Redfin,” March 10, 2025, p. 6, https://s205.q4cdn.com/636124780/files/doc_downloads/2025/3/Rocket-Companies-Redfin-Transaction-Investor-Presentation.pdf.

⁶ Rocket Companies, “Rocket Companies to Acquire Redfin, Accelerating Purchase Mortgage Strategy,” press release, March 10, 2025, <https://ir.rocketcompanies.com/news-and-events/press-releases/press-release-details/2025/Rocket-Companies-to-Acquire-Redfin-Accelerating-Purchase-Mortgage-Strategy/default.aspx>.

⁷ *Id.*

⁸ Rocket Companies, “Mr. Cooper, America’s Largest Servicer, Joins Rocket, the Nation’s Largest Lender,” press release, March 31, 2025, <https://ir.rocketcompanies.com/news-and-events/press-releases/press-release-details/2025/Mr--Cooper-Americas-Largest-Servicer-Joins-Rocket-the-Nations-Largest-Lender/default.aspx>.

⁹ FTC, “Hart-Scott-Rodino Antitrust Improvements Act of 1976,” <https://www.ftc.gov/legal-library/browse/statutes/hart-scott-rodino-antitrust-improvements-act-1976>.

¹⁰ SEC, “Form 8-K,” May 8, 2025, p. 2, <https://investors.redfin.com/financial-information/sec-filings/content/0001382821-25-000067/0001382821-25-000067.pdf>.

¹¹ *Id.*

¹² Rocket Companies, “Rocket Companies to acquire Redfin,” March 10, 2025, p. 10, https://s205.q4cdn.com/636124780/files/doc_downloads/2025/3/Rocket-Companies-Redfin-Transaction-Investor-Presentation.pdf; Rocket Companies, “Rocket Companies to Acquire Redfin, Accelerating Purchase Mortgage Strategy,” press release, March 10, 2025, <https://ir.rocketcompanies.com/news-and-events/press-releases/press-release-details/2025/Rocket-Companies-to-Acquire-Redfin-Accelerating-Purchase-Mortgage-Strategy/default.aspx>.

smaller, independent realtors' and real estate companies' ability to compete with the Rocket network.

Rocket could similarly steer homebuyers who use Redfin to Rocket's mortgages, discouraging Redfin users from comparison shopping for better offers. Comparison shopping helps consumers get a fair deal on financial products and services, and has been shown to save homebuyers an average of \$76,410 over a 30-year mortgage.¹⁴ By discouraging Redfin homebuyers from comparing financial products among different lenders under the guise of efficiency, Rocket may be able to push through unnecessary rate or fee increases for mortgages and ancillary services, such as title insurance and transaction fees. Rocket has said it expects to generate more than \$60 million from steering Redfin clients and agents to Rocket's mortgage products.¹⁵

Rocket May Use Redfin's Homebuyer Data to Raise Prices

If the proposed Rocket-Redfin merger succeeds, Rocket intends to combine its user data with Redfin's to "creat[e] a 360° view of the client,"¹⁶ allowing Rocket to exploit Redfin's data on homebuyers to raise the cost of buying a home. Indeed, Rocket's CEO called Redfin a "data powerhouse," with 91 million data points on user behavior.¹⁷ Rocket could use Redfin's user data to determine if a customer ultimately made an offer on a house and whether it was at the bottom or top of the price range of properties the customer viewed online. This information could be leveraged against consumers to manipulate mortgage rates and pricing.¹⁸ Rocket's acquisition of Redfin and its data gives Rocket a degree of power against its customers that rival mortgage lenders will not have, and gives Rocket a leg up on competitors, harming consumer choice and competition in the mortgage industry.

The Rocket-Mr. Cooper Mortgage Behemoth Will Handle One in Every Six Mortgages

The harms of the Rocket-Redfin merger are compounded by Rocket's acquisition of Mr. Cooper, which will create a mortgage behemoth and allow Rocket to capture a larger portion of homebuyers in a potentially anticompetitive "originations-servicing recapture flywheel."¹⁹

¹³ HousingWire, "Rocket's Varun Krishna thinks Redfin deal can expand opportunities for broker network," Sarah Wolak, March 10, 2025, <https://www.housingwire.com/articles/rocket-redfin-varun-krishna-glenn-kelman-acquisitions-broker-network-expansion/>.

¹⁴ LendingTree, "Shopping Around for Mortgage Could Save Borrowers \$76,000+ Over Lifetime of Loan," Jacob Channel, June 3, 2024, <https://www.lendingtree.com/home/mortgage/mortgage-shopping-study/>.

¹⁵ Rocket Companies, "Rocket Companies to Acquire Redfin, Accelerating Purchase Mortgage Strategy," press release, March 10, 2025, <https://ir.rocketcompanies.com/news-and-events/press-releases/press-release-details/2025/Rocket-Companies-to-Acquire-Redfin-Accelerating-Purchase-Mortgage-Strategy/default.aspx>.

¹⁶ Rocket Companies, "Rocket Companies to acquire Redfin," March 10, 2025, p. 3, https://s205.q4cdn.com/636124780/files/doc_downloads/2025/3/Rocket-Companies-Redfin-Transaction-Investor-Presentation.pdf.

¹⁷ LinkedIn Post by Varun Krishna, March 2025, https://www.linkedin.com/posts/varun-krishna-30019a22_ive-been-a-huge-fan-of-redfin-since-i-used-activity-7304818810576850945-gh0G/; *Id.*, p. 10.

¹⁸ Fox Homes, "The Real Truth Behind the Rocket-Redfin Merger: What Agents Won't Tell You (But We Will)," Devon Fox, March 29, 2025, <https://www.foxsellfaster.com/blog/the-real-truth-behind-the-rocketredfin-merger-what-agents-wont-tell-you-but-we-will/>.

¹⁹ Rocket Companies, "Mr. Cooper, America's Largest Servicer, Joins Rocket, the Nation's Largest Lender," press release, March 31, 2025, <https://ir.rocketcompanies.com/news-and-events/press-releases/press-release-details/2025/Mr--Cooper-Americas-Largest-Servicer-Joins-Rocket-the-Nations-Largest-Lender/default.aspx>.

Rocket will acquire Mr. Cooper’s seven million mortgage servicing clients, giving Rocket “ongoing opportunities to boost retention and drive future transactions”²⁰ — that is, to avoid the effort of needing to compete for new customers. Rocket has boasted of an 83 percent recapture rate, illustrating that nearly all of Rocket’s customers who take out one loan with Rocket will return to Rocket for their next loan.²¹ Rocket’s merger with Mr. Cooper will allow the platform to acquire and recapture an even larger customer base. Altogether, Rocket, Mr. Cooper, and Redfin would reach nearly 10 million servicing clients (triple that of Rocket’s current servicing client base), 450,000 annual origination clients, and over one billion annual client interactions.²² This combined company would service more than \$2.1 trillion in loans, which represents the handling of one in six mortgages in the United States.²³

The CFPB Previously Sued Rocket for Blocking Competition

Rocket has a history of anticompetitive efforts to steer homebuyers to its products. The Consumer Financial Protection Bureau (CFPB) sued Rocket in 2024 for allegedly steering homebuyers into purchasing Rocket mortgages. The CFPB alleged that Rocket incentivized real estate brokers and agents to refer their clients to Rocket’s mortgage business and withhold information about Rocket’s competitors, discouraging comparison shopping and increasing borrowing costs.²⁴ The CFPB dropped the lawsuit just three weeks after President Trump installed new leadership at the agency.²⁵ While the CFPB failed to hold Rocket accountable for allegedly blocking competition, DOJ and FTC should act to protect homebuyers from Rocket’s anticompetitive actions.

Rocket’s Acquisitions of Redfin and Mr. Cooper May Violate Antitrust Law

Rocket’s proposed mergers raise concerns under several of DOJ and FTC’s Merger Guidelines, which provide the framework under which the agencies determine whether mergers violate antitrust laws.²⁶ First, the mergers raise concerns under Guideline 6, which cautions that “mergers can violate the law when they entrench or extend a dominant position.”²⁷ Rocket’s acquisitions of Redfin and Mr. Cooper will entrench Rocket’s dominance in the home purchase

²⁰ *Id.*; Rocket Companies, “Mr. Cooper Transaction Investor Call Transcript,” March 31, 2025, p. 4, https://s205.q4cdn.com/636124780/files/doc_downloads/2025/3/FINAL-RKT-and-COOP-Investor-Call-Transcript.pdf.

²¹ *Id.*

²² *Id.*, pp. 4-5.

²³ Rocket Companies, “Mr. Cooper, America’s Largest Servicer, Joins Rocket, the Nation’s Largest Lender,” press release, March 31, 2025, <https://ir.rocketcompanies.com/news-and-events/press-releases/press-release-details/2025/Mr--Cooper-Americas-Largest-Servicer-Joins-Rocket-the-Nations-Largest-Lender/default.aspx>.

²⁴ Consumer Financial Protection Bureau, “CFPB Files Lawsuit to Stop Illegal Kickback Scheme to Steer Borrowers to Rocket Mortgage,” press release, December 23, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-files-lawsuit-to-stop-illegal-kickback-scheme-to-steer-borrowers-to-rocket-mortgage/>.

²⁵ CNBC, “Consumer Financial Protection Bureau drops lawsuits against Capital One and Berkshire, Rocket Cos. units,” Hugh Son, February 27, 2025, <https://www.cnbc.com/2025/02/27/cfpb-drops-capital-one-rocket-mortgage-affiliate-lawsuits.html>.

²⁶ Department of Justice and Federal Trade Commission, “Merger Guidelines,” December 18, 2023, https://www.ftc.gov/system/files/ftc_gov/pdf/2023_merger_guidelines_final_12.18.2023.pdf.

²⁷ *Id.*, p. 3.

market by limiting competitors' ability to acquire potential customers who will instead be captured by the massive Rocket homeownership platform, and steered into Rocket products.

The mergers also implicate Guideline 7, which instructs DOJ and FTC to “examine whether a trend toward consolidation in an industry would heighten ... competition concerns.”²⁸ The homebuying industry is experiencing a trend toward vertical integration that deserves antitrust scrutiny: similar to Rocket’s strategy, online real estate marketplace Zillow has pursued vertical integration that has allowed the platform to control multiple stages of the homebuying process as Zillow creates a “housing super app” that “streamlines the [homebuying] transaction.”²⁹ Rocket’s mergers would advance vertical integration in the homebuying industry, and as such, DOJ and FTC should closely scrutinize these mergers to understand the risks to competition.

The mergers also implicate Guideline 8, which clarifies that “when a merger is part of a series of multiple acquisitions, the agencies may examine the whole series,” and that DOJ and FTC “may examine a pattern or strategy of growth through acquisition by examining both the firm’s history and current or future strategic incentives.”³⁰ The agencies should examine the cumulative impact of Rocket’s mergers with Redfin and Mr. Cooper, and take into consideration Rocket’s intentions to create a “hyper-scaled homeownership platform,”³¹ to determine whether the mergers would threaten competition.

Finally, Rocket’s mergers raise concerns under Guideline 9, which warns that “mergers involving platforms can threaten competition.”³² In this case, Rocket is a platform with multiple sides offering distinct real estate, mortgage lending, and mortgage servicing products. Rocket’s mergers raise anticompetitive concerns under Guideline 9 because Rocket’s ownership of Redfin’s data could help the platform advance its own mortgage products while weakening competing platforms by denying access to such data. In addition, these mergers will incentivize Rocket to funnel homebuyers to Rocket’s mortgage products on its own platform, rather than making it easy for homebuyers to shop for the best products or continue using their preferred mortgage lender. This may harm competition in the mortgage industry, and FTC and DOJ should evaluate these mergers for anticompetitive harms.

Conclusion

Instead of competing for new customers by offering better products and services, Rocket is attempting to acquire two already massive companies to create a single, vertically integrated conglomerate. Rocket’s proposed acquisitions of Redfin and Mr. Cooper create the potential for Rocket to steer homebuyers to its own products, hike prices based on private data, and block competition. We ask that you provide explanation for your agencies’ failure to challenge the

²⁸ *Id.*, p. 22.

²⁹ Zillow Group, “Our Brands & Businesses,” <https://www.zillowgroup.com/about-us/business/>; Real Estate News, “Why Zillow thinks its model wins for consumers and agents alike,” AJ LaTrace, June 14, 2023, <https://www.realestatenews.com/2023/06/14/why-zillow-thinks-its-model-wins-for-consumers-and-agents-alike>.

³⁰ Department of Justice and Federal Trade Commission, “Merger Guidelines,” December 18, 2023, p. 23, https://www.ftc.gov/system/files/ftc_gov/pdf/2023_merger_guidelines_final_12.18.2023.pdf.

³¹ Rocket Companies, “Rocket Companies to acquire Redfin,” March 10, 2025, p. 6, https://s205.q4cdn.com/636124780/files/doc_downloads/2025/3/Rocket-Companies-Redfin-Transaction-Investor-Presentation.pdf.

³² *Id.*

Rocket-Redfin merger during the premerger review period. We also urge DOJ and FTC to scrutinize Rocket's acquisition spree as a whole for anticompetitive harms, and to block or unwind its mergers if necessary to vindicate federal antitrust laws and protect small businesses and consumers in the housing market. To understand why DOJ and FTC declined to challenge the Rocket-Redfin merger, we ask that you answer the following questions by June 17, 2025:

1. Why did DOJ and FTC decline to challenge the Rocket-Redfin merger during the premerger review period?
2. Did Rocket's intention to create a "hyper-scaled homeownership platform" raise anticompetitive concerns to DOJ and FTC?
3. The Rocket-Redfin merger will create a vertically-integrated entity allowing Rocket to steer Redfin homebuyers to Rocket's real estate agents and financing products and block competition. Did this raise anticompetitive concerns to DOJ and FTC?
4. Did DOJ and FTC consider the trend toward consolidation in the homebuying industry when reviewing the Rocket-Redfin merger?
5. Did DOJ and FTC consider Rocket's acquisition spree as a whole when reviewing the Rocket-Redfin merger?
6. Did DOJ and FTC consider Rocket's history of anticompetitive conduct when reviewing the Rocket-Redfin merger?
7. If in the future DOJ and FTC find the Rocket-Redfin merger has violated federal antitrust laws, will the agencies unwind the merger?
8. If the Rocket-Redfin merger is completed, will DOJ and FTC commit to conducting a detailed, backward-looking review of the impacts of the merger during your tenure to determine if this or any other related merger should be unwound?

Sincerely,



Elizabeth Warren
United States Senator



Tina Smith
United States Senator



Bernard Sanders
United States Senator



Mazie K. Hirono
United States Senator



Cory A. Booker
United States Senator