Financials

16 Questions That Could Impact Equity Performance within BTIG’s Financials Coverage Universe in 2016

The second half of 2015 was a challenging period for stocks within the Financials space, with a variety of factors ranging from regulatory concerns to the repeated pushing back of an anticipated interest rate hike by the Federal Reserve serving as headwinds. As 2016 begins and investors are again seeking ideas to help them outperform in the new year, we believe a number of stocks within BTIG’s Financials coverage universe offer upside through a combination of idiosyncratic catalysts, the potential for higher interest rates, and simple reversion to the mean.

As a means of honing in on the drivers of that potential upside, here are 16 questions that could drive the performance of several components of BTIG’s Financials coverage universe in 2016:

1. How will Puerto Rico’s debt crisis play out, and how will Assured Guaranty (AGO, Buy, $35 PT), MBIA (MBI, Buy, $11 PT) and Ambac Financial Group (AMBC, Neutral) be impacted?

While investors had braced themselves for a significant default on the $1.016bn of payments on Puerto Rico’s debt that was due on January 1, largely because representatives of the Commonwealth government had repeatedly raised the prospect of such an outcome, Governor Alejandro Garcia Padilla on December 30 announced that the bulk of the amount due would be paid. Puerto Rico did default on a $35.9mm payment due on bonds issued by the Puerto Rico Infrastructure Finance Authority (PRIFA) as well as on a $1.4mm payment due to the island’s Public Finance Corp.

Some observers have pointed out that Puerto Rico had paid $120mm in Christmas bonuses to government employees last week before defaulting on $37.3mm in debt-service payments. As such, some have concluded that Puerto Rico wanted to be able to announce a modest default as a means of highlighting its debt situation at a time when the U.S. Congress is about to consider how to provide assistance to the Commonwealth. Puerto Rico has argued that it faces not only a chaotic default but also a humanitarian crisis if Congress does not grant it the ability to file for Chapter 9 bankruptcy, an option that is not currently available to it.

We have argued that in the absence of Chapter 9 or the Recovery Act that had created a framework for the reorganization of the debt of Puerto Rico’s public corporations (before it was invalidated by a federal judge last June), it was unlikely that the Commonwealth would succeed in imposing haircuts on bondholders of the large size that some analysts have projected.
The agreement between the Puerto Rico Electric Power Authority (PREPA) and bond insurers AGO, MBI and Syncora Holdings (SYCRF, Not Rated) reached on December 24 – an agreement in which the insurers absorbed no haircuts – was supportive of our view. So the key question for the bond insurers as 2016 begins is what actions the U.S. government will take to aid Puerto Rico and whether they will include granting the Commonwealth the ability to file for Chapter 9 bankruptcy or some other framework that would allow for judicial cramdowns in which haircuts would be imposed on creditors. Speaker of the House Paul Ryan (R-WI) in mid-December gave relevant House committees until the end of 1Q16 to develop a “responsible solution” to Puerto Rico’s debt crisis without indicating that such solution would include Chapter 9 or a similar framework. Congressional Republicans have, for the most part, opposed allowing Puerto Rico to file for Chapter 9 bankruptcy. Senator Orrin Hatch (R-UT) last month introduced the Puerto Rico Assistance Act of 2015, which would provide the Commonwealth with $3bn in assistance while providing for lower payroll taxes and the appointment of a federal oversight board to be headed by a chief financial officer. Inasmuch as the $3bn to be allocated under Hatch’s bill would be derived from funds set aside for prevention efforts under Obamacare, it is hard to imagine it being signed into law in its current form. In the absence of Chapter 9 or a similar framework, Puerto Rico would be forced to do what other municipalities in distress have done during the past few years: negotiate with creditors under the structural and legal constraints of the bond indentures and the prevailing laws. In those other cases, the outcomes for AGO and MBI were significantly less dire than many had believed they would be at the outset of the proceedings.

2. Will AMBC be able to achieve a settlement of its representation and warranty (R&W) litigation against Bank of America (BAC, Not Rated) without its Segregated Account first exiting from rehabilitation?

It’s the bond insurance industry’s version of the chicken or egg causality dilemma. Which will come first: a settlement between AMBC and BAC, or the exit of AMBC’s Segregated Account from rehabilitation? The question is a key one for investors in AMBC shares, which declined by more than 43% during 2015 as neither catalyst emerged and concerns about the company’s $2.4bn of net insured exposure to Puerto Rico swamped the stock. AMBC Interim CEO Nader Tavakoli during BTIG’s 3rd Annual Bond Insurance Panel Discussion and Group Meetings on November 16 told investors that while BAC may have been perceiving AMBC as a “wounded duck” that needs settlement cash to enable the exit of the Segregated Account from rehab, the day the exit occurs without the bank’s cash would be a very bad one for its legal department. We believe Tavakoli this year will redouble the company’s efforts to put together a deal acceptable to both its regulator and the holders of its surplus notes and deferred payment obligations (DPOs).
Another question for AMBC during 2016 is whether the “interim” in Tavakoli’s title will be removed and he will accept the CEO role on a permanent basis. Several significant investors in the company’s shares have pushed for its Board of Directors to move to make Tavakoli its permanent chief executive, but investor Nick Vouloumanos in a December 30 letter to the Board noted that “there has been market speculation that creditors have inserted themselves in the discussions surrounding the appointment of a CEO and have lobbied for and against various candidates.”

3. Which stocks within BTIG’s Financials coverage universe would benefit most from an increase in interest rates?

The stock within our coverage universe that we believe stands to benefit the most if the Fed continues to increase interest rates during 2016 is Voya Financial (VOYA, Buy, $50 PT) as rate hikes would have a particularly significant impact on the company’s Closed Block Variable Annuity (CBVA) unit. We have already seen the reaction of VOYA shares to the prospect of higher interest rates, as the stock received a disproportionate boost even relative to other interest-sensitive insurers since the focus on potential Fed tightening began to gain traction in 2013. While the potential tailwind from higher rates was not the only factor that helped the stock to double between its initial public offering in May 2013 and its peak in July 2015 – a string of quarterly earnings beats and increases in capital return were other drivers – it was clearly a key one.

Higher interest rates could also be a boon for bond insurers AGO and MBI inasmuch as the value proposition for municipal bond insurance is based in large part on the reduction in debt-service payments that insurance can provide to issuing municipalities. If those issuers’ borrowing costs are already low due to low interest rates, then the savings associated with bond insurance doesn’t seem as impactful. As such, potential or actual increases in interest rates should translate into increased demand for bond insurance. Given the continued doubts in some circles about the long-term viability of the bond insurance industry, we believe any meaningful uptick in new insurance written as a result of higher rates would be supportive of higher share prices for both AGO and MBI.

4. Will consolidation occur within the mobile payments space, and which companies are the likely buyers and sellers?

As the growth of mobile payments continues apace – eMarketer has projected that the total value of mobile payments in the U.S. will increase by 201% year-over-year in 2016 – and global smartphone adoption expands the universe of those who could be making mobile payments going forward, the positioning for shares of that market is also likely to accelerate.

Within BTIG’s Financials coverage universe are two payments companies that could be involved in merger and acquisition activity during the coming year: PayPal (PYPL, Buy, $48 PT) and Square (SQ, Buy, $15 PT). SQ appears to us to be a more straightforward potential
acquisition candidate given its relatively modest $4.4bn market capitalization, and it has been the subject of buyout chatter in the past, with reports of talks between the company and Google (GOOGL, Not Rated) and Apple (AAPL, Buy, $160 PT, Analyst: Walt Piecyk). PYPL is in a different position. By virtue of the $6.7bn of cash it had on its balance sheet as of September 30, PYPL has the ability to be an acquirer within the space as well as a target.

With that said, we believe PYPL’s $44.5bn market cap narrows the universe of potential acquirers of the company, but the technology giants that are the logical consolidators of the space each could easily bid for and digest it. These include, at the least, GOOGL, AAPL, Facebook (FB, Buy, $117 PT, Analyst: Rich Greenfield), Amazon (AMZN, Not Rated) and Alibaba (BABA, Not Rated).

Of this list, we believe GOOGL is the most likely candidate inasmuch as its own efforts at creating an impactful mobile wallet have been largely unsuccessful, and a purchase of PYPL would immediately make the company a major player in the ongoing global payments land grab.

5. Will Western Union (WU, Buy, $23 PT) acquire MoneyGram (MGI, Not Rated) during 2016, and what would be the upshot of that acquisition?

Alex Holmes, incoming CEO at MGI, told The Financial Times last week that he anticipates mergers in the remittance industry. Holmes noted that the $24bn market for transferring cash from the U.S. to Mexico has 96 regulated money transfer companies, adding that “I would like them to go away ... I would like to buy them all.” While Holmes may want to consolidate the space, we think it is much more likely that MGI becomes acquired during the months to come, with WU as the most likely acquirer.

Shares of WU reached their 2015 high of $22.56 last May after buzz circulated that it was in talks to acquire MGI. While WU management denied that such discussions had occurred, the positive market reaction to the potential deal was noteworthy. We believe WU must continue to adapt to the changing global remittance market by continuing to invest in its mobile and online capabilities, which we think are the key to its future. However, we agree with Holmes’ observation that “every regulator in the world wants us to ship money safely and carefully to more people, but everyone also wants lower costs.”

An acquisition of MGI wouldn’t help WU to accelerate its efforts in mobile and online, but it would bring it more remittance customers as well as ample opportunities for cost cutting. WU has been trying to boost its share price through buybacks – the company’s board last February announced a $1.2bn, three-year share repurchase authorization – but the impact has been modest, as the stock has appreciated by 3.5% since the new authorization was announced. We believe WU’s most efficient means of achieving a higher share price and of putting itself in position to stave off competition in the remittance space would be to launch a successful bid for MGI.
6. As LendingClub (LC, Buy, $21 PT) enters new verticals, will it do so by building new capabilities or via acquisitions?

LendingClub management has said it intends to enter two new verticals per year during the next few years, an effort that will be facilitated by the $918mm of cash and equivalents that the company had on its balance sheet on September 30. We believe credit-card refinancing is just a starting point for LC, as future growth likely will be driven not only by that vertical but by other business lines in which the company will apply its marketplace platform approach.

We believe that LC’s announcements of the launches of such verticals could serve as catalysts for the stock. Management during the company’s 3Q15 conference call on October 29 reiterated their intention to enter a new category in 1H16. Inasmuch as LC had posted a job listing for a “Director, Credit and Risk – Auto Lending,” it appeared that the company may have been zeroing in on that space. We believe other potential verticals for LC include mortgages, student loans and perhaps insurance.

LendingClub’s primary competitive advantage in the credit-card refinancing market is an algorithm that has matured during the past eight years to the point that the credit decisions it renders have proven to be significantly better in predicting repayment than those based solely on FICO scores. Given that it can take years before an algorithm has been tested and tweaked to the point that it can be trusted to be used at scale, we believe the question of build versus buy for LC could come down to timing considerations.

Particularly in light of LC’s large cash balance and the fact that valuations in the alternative lending space have reset lower during the past year, we believe the company may be better served by seeking to acquire firms that have somewhat mature algorithms within the verticals that management views as most attractive.

7. Will OnDeck Capital’s (ONDK, Buy, $18 PT) partnership with JPMorgan Chase (JPM, Not Rated) spur similar tie-ups between other alternative lenders and traditional banks?

Shares in ONDK spiked by as much as 43% on December 2 after JPM announced that it was working with the company to build a new Chase lending product that will provide small-dollar loans to the bank’s 4mm small-business customers. The ONDK-JPM partnership was announced seven and a half months after LC had announced that it would facilitate $150mm in loans to underserved community banking clients.

LendingClub CEO Renaud Laplanche in an editorial published in American Banker last January offered his take on the potential for such collaboration, noting that it was a myth that marketplace lending competed with bank lending. “While there’s always room for healthy competition, the largest opportunity is for marketplaces and banks to collaborate,” Laplanche wrote. “This can be particularly helpful in
areas such as personal loans or small-balance commercial loans, which are often hindered by high underwriting and servicing costs.”

We believe other alternative lenders will feel pressure to enter into partnerships with traditional banks similar to the ONDK and LC deals, and we believe many banks will be receptive to such tie-ups as the alternative lenders’ low operating expenses given their algorithm-based credit decisioning and the banks’ low cost of capital makes for a potent combination.

8. Will the shakeout that many alternative lending industry participants believe is inevitable occur during 2016?

Several of the participants in BTIG’s Inaugural Alternative Lending and Financial Technology Conference last June expressed the view that a shakeout in the alternative lending industry was inevitable. For the industry participants that have already achieved scale, such as ONDK, the prospect of a paring down of the number of players in the space is a welcome one given that the company has acknowledged that competition has become a headwind for its business. In the view of ONDK CEO Noah Breslow, the key question for the smaller alternative lenders is whether they will have enough time to achieve scale in the midst of an intensely competitive environment. Those firms that, in Breslow’s words, were “late to the party” will be at a distinct disadvantage going forward.

ONDK and a handful of other alternative lenders have achieved meaningful scale thanks in large part to their successful development of a mature credit algorithm that facilitated that scale. With customer acquisition costs rising in the space, smaller lenders in earlier stages of developing their algorithms may have to acknowledge that the achievement of scale is unattainable. “You have to have enough bad loans to build a good credit model,” Breslow said during a Money2020 panel discussion last October.

The sooner that a shakeout occurs – such a development would likely involve smaller firms selling out to larger players as well as closures – the better it would be for ONDK, LC and other lenders already at scale, as it could help to stem the rise of customer acquisition costs that was a big part of the alternative lending narrative during 2015. We believe access to capital will be a key differentiator in the space and that the lack of such access likely will cause the correction to occur sooner rather than later.

9. Will iStar (STAR, Buy, $17 PT) reach its goal of earning $1.75 per diluted share in FY16?

When STAR CEO Jay Sugarman during the company’s Investor Meeting last June offered earnings goals of $0.75 per diluted share in FY15 and $1.75 per diluted share in FY16, those figures caused a few eyebrows to be raised among those in attendance. The company in 3Q14 had finally posted a profitable quarter for the first time since before the financial crisis, and the new goals seemed lofty.
With the passage of a couple of quarters, STAR’s FY15 goal appears achievable with a strong 4Q15 performance. However, it was management’s FY16 target that really got investors’ attention, as it implied a significant ramp-up of the company’s ongoing conversion of the non-contributing assets (NCAs) that represent more than 30% of its portfolio to contributors. Sugarman noted during the Investor Meeting that the NCAs in STAR’s portfolio mean that the company doesn’t have to grow assets, but only needs to convert NCAs into contributors. “If you just start shoving those numbers down, I think you can do the math and see we make 7%, 8%, 9% ROAs on a lot of that non-contributing stuff,” he said, adding that the conversion would be “a two-, three-year process.”

If STAR is able to come close to achieving its FY16 earnings goal – we estimate that the company will nearly do so by earning $1.72 per diluted share – then the assignment of a reasonable multiple to that figure would translate into a meaningfully higher share price. Investors are not yet sharing in management’s optimism, as STAR shares have declined by more than 17% since it offered its earnings goals, so the stock remains a “show-me” story that will play out with each quarterly earnings release.

10. Will CIT Group (CIT, Buy, $56 PT) be acquired?

Shares in CIT Group (CIT, Buy, $56 PT) rallied on November 18 after chatter emerged about a potential takeover of the company, with Bank of Montreal (BMO.TO, Not Rated) mentioned as a potential acquirer. We were not surprised to hear that a Canadian bank might be interested in buying CIT, as we have contended for some time that a Canadian bank would be the most likely acquirer of the company given these banks’ excess capital and the logic of a foray into the U.S. middle market rather than a riskier geography such as Latin America.

With John Thain set to step down as CIT’s CEO at the end of March, to be replaced by Ellen Alemany, it appears that his rehabilitation and transformation of the company – an effort capped by CIT’s acquisition of OneWest Bank aimed at reducing its borrowing costs while creating opportunities to cross-sell OneWest’s commercial banking services – position it for a sale. A purchase of CIT would be immediately accretive to a Canadian bank, and that bank would potentially benefit from the upside associated with the sale values of CIT’s aircraft and railcar leasing businesses, and perhaps its equipment finance business.

11. Will VOYA use reinsurance to reduce exposure at and to release capital from its CBVA unit during 2016?

While VOYA’s CBVA unit has been pointed to by the stock’s detractors as a significant risk factor, we have viewed it as a potential source of upside given that the company’s former parent, ING Group (INGA.NA, Not Rated) used what we viewed as a belt-and-suspenders approach to capitalizing the unit as a means of facilitating its spin-off. As a consequence, the unit has more than $3bn in capital allocated to it. Releasing a portion of this capital would expand VOYA’s ability to
buy back its shares beyond the $170mm it had remaining under its repurchase authorization as of September 30.

Given the significant amount of capital that has been amassed by reinsurance companies for the purpose of reinsuring the legacy insured exposures of insurers such as VOYA, we believe the company may have the opportunity to use reinsurance to reduce exposure at and to release capital from its CBVA unit at some point this year.

VOYA last year took advantage of the robust reinsurance market to free up capital. The company on September 10 announced an agreement with Reinsurance Group of America (RGA, Not Rated) in which it would sell via reinsurance an in-force block of 155,000 term life insurance policies representing approximately $90bn of life insurance. The potential impact of the transaction on VOYA’s shares was material, as the block had been backed by $1.4bn of statutory reserves and the deal freed up $230mm in excess capital that could be used for additional buybacks.

12. Will a pilot program in which private mortgage insurers would offer deep coverage private mortgage insurance be launched during 2016?

Following the release of the final Private Mortgage Insurer Eligibility Requirements (PMIERs) last April, private mortgage insurers (PMIs) – including BTIG-covered insurers Essent Group (ESNT, Buy, $31 PT), Genworth Financial (GNW, Buy, $10 PT), MGIC Investment Corporation (MTG, Buy, $12 PT), NMI Holdings (NMIH, Buy, $10 PT) and Radian Group (RDN, Buy, $22 PT) – ramped up their efforts to gain approval to provide deep coverage mortgage insurance. Such insurance would have PMIs cover even more of the potential losses on mortgages, making the risk to the GSEs equivalent to that on mortgages with 50% down payments. In exchange for agreeing to take on more risk, the PMIs would negotiate lower guarantee fees (“g-fees”) based on the argument that only in a financial catastrophe would homes lose more than half their value.

The PMIs’ trade group, U.S. Mortgage Insurers (USMI), has proposed a pilot program of $50bn in deep cover mortgage insurance in 2016. The USMI has argued that after raising more than $9bn in new capital since the financial crisis, the PMIs have more than sufficient capital to make a push into deep cover. Consulting firm Milliman in a study commissioned by USMI concluded that a deep cover program on $50bn in GSE loans would require the PMIs to hold an additional $720mm in additional capital in 2016.

One of the key elements of the Federal Housing Finance Administration’s (FHFA) 2016 Scorecard released on December 17 was to “reduce taxpayer risk through increasing the role of private capital in the mortgage market.” This has been a stated goal of the FHFA for some time, but with the PMIERs in place we believe the likelihood of such a reduction actually occurring has increased meaningfully, with a deep cover mortgage insurance pilot representing an important step toward that end.
13. Will Popular (BPOP, Buy, $41 PT) be able to expand its capital return program?

September 18 marked a milestone for BPOP as the company on that day announced that it had reinstated a common dividend that would represent its first such payment since April 2009. While the annual outlay involved was only $62mm, the announcement was noteworthy in that it meant that BPOP’s regulator, the Federal Reserve Board of New York (FRBNY), had viewed the reinstatement of a dividend as appropriate even in light of the debt crisis and fiscal woes of Puerto Rico, the bank’s primary market.

BPOP CFO Carlos Vazquez during BTIG-hosted meetings with investors in early September reiterated his prior description of the company’s capital return “ask” for 2015 as “cautious,” as management preferred to have a smaller amount approved and then build upon that result going forward, rather than make a more aggressive request and run a greater risk of a denial and a further delay in the company’s resumption of capital return for the first time since before the financial crisis. That was particularly the case, he said, insofar as the March 2016 Dodd-Frank Act Stress Test (DFAST) was not that far off.

BPOP has over $2bn of excess capital, and we believe that under normal circumstances the approval of a meaningful share repurchase program would be a no-brainer. However, circumstances in Puerto Rico right now are far from normal, particularly after Governor Garcia Padilla’s announcement about the Commonwealth’s partial default on payments due January 1. As such, we believe the expansion of BPOP’s capital return efforts will be very much tied to how events transpire on the island.

We believe it is important for investors to consider that while BPOP had $579mm of direct exposure to Puerto Rico’s debt as of September 30, approximately $497mm of that exposure was to municipalities, with most of that senior in priority. As such, we believe BPOP is more levered to the general level of economic activity in Puerto Rico than to the outcome of its debt crisis. In any event, the FRBNY will be monitoring both the Commonwealth’s debt situation and the state of its economy and weighing these factors as it considers BPOP’s capital return “ask”.

14. Will Genworth Financial (GNW, Buy, $10 PT) find a way of facilitating a split of the company that would unlock the value of its mortgage insurance units?

Some investors in shares of GNW have concluded that, given concerns about the potential for additional meaningful losses arising from the company’s long term care (LTC) insurance unit, sustained appreciation in the stock price will occur only after the company splits itself so that the value of its mortgage insurance units could be unlocked. We believe one of the impediments to such a split is the $4.3bn of long-term borrowings that GNW had at its holding company as of September 30, an amount that management has said it would seek to pare by $1-2bn.
The key question for GNW is how such paring could occur, particularly given the challenges associated with achieving regulatory approval to upstream any capital from the U.S. Life unit in which the LTC business is housed. CEO Tom McInerney said during the company’s 3Q15 conference call on October 30 that “given ratings pressures and our dependencies among our subsidiaries, our ability to take more substantial steps to simplify our business portfolio is limited in the near term.”

While it is not yet clear what GNW will do to delever its holdco, we believe that the range of the company’s strategic options will be expanded if it can demonstrate operational stability for a few quarters. Complicating matters are lower commodity and energy prices that have raised questions about the ability of GNW’s Australian and Canadian mortgage insurance units to avoid a material increase in delinquencies and losses. At the same time, the company’s U.S. mortgage insurance unit appears well positioned to benefit if the U.S. government follows through on its stated intention to retreat from the mortgage insurance space.

15. Will H&R Block (HRB, Neutral) be able to achieve the 4% growth rate that management has targeted?

The catalyst that investors in shares of HRB had been awaiting – the company’s receipt of regulatory approval to sell H&R Block Bank to Bofi Holding (BOFI, Not Rated), which paved the way for it to launch a $3.5bn share repurchase program – arrived on September 1. HRB’s stock jumped in the aftermath of the announcement of the approval, eventually reaching a peak of $37.40 on November 2.

With HRB’s buyback program announced and the eventual reduction in its share count baked into the models of investors and analysts, the company’s story has evolved from one that was event-driven to one that will be driven by the performance of its tax preparation operations. In particular, we believe that the future performance of HRB shares will be tied to the company’s progress toward achieving the 4% revenue growth rate that management has set as a target.

We are skeptical about HRB’s ability to generate and sustain growth above the rate of GDP, and we are particularly wary about the likelihood that the tax filing requirements associated with the implementation of Obamacare – a driver of some analysts’ bullish theses regarding the stock – will drive enough of an increase in tax preparation volumes to merit the kinds of above-market multiples of HRB’s future earnings that some have assigned.

16. Will Ally Financial (ALLY, Buy, $32 PT) be able to diversify away from General Motors (GM, Not Rated) dealers by attracting more non-GM business before the automaker shifts more of its financing business to its captive finance arm, GM Financial?

Shares in ALLY were under pressure through much of 2015 after GM on January 12 announced that it would make GM Financial its exclusive provider of subsidized leases. Hanging over ALLY during the year was the possibility that GM would abruptly shift even more
business to its captive finance arm, so investors’ focus was on this vulnerability and the company’s efforts to reduce it.

ALLY was able to reduce the percentage of its loan and lease applications derived from GM dealers to an estimated 30% during 2015 from 37% in 2014 as the percentage of applications derived from non-GM, non-Chrysler (FCAU, Not Rated) dealers increased to an estimated 51% in 2015 from 45% in the prior year period.

While ALLY has been steadily reducing its dependence on GM dealers, one question is what compromises, if any, the company has had to make in terms of pricing and loan terms in order to ease its diversification efforts. At the same time, ALLY has increased the percentage of its loans in the subprime category to around 15%, up from about 10% last year. As such, we believe that the company’s ability to sustain its strong credit metrics is crucial as the transition away from GM continues in 2016.

**BTIG Financials Coverage**

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<td>Us Holdings</td>
<td>ITWJO</td>
<td>Buy</td>
<td>$22</td>
<td>$1.04</td>
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<td>Radian Group</td>
<td>RDN</td>
<td>Buy</td>
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<td>$2.75</td>
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<td>Santander Consumer USA Holdings</td>
<td>SC</td>
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<td>$20</td>
<td>$0.44</td>
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<td>Square</td>
<td>SQ</td>
<td>Buy</td>
<td>$15</td>
<td>$4.10</td>
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<td>Synchrony Financial</td>
<td>SYF</td>
<td>Buy</td>
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<td>$24.61</td>
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<td>Voya Financial</td>
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<td>Buy</td>
<td>$50</td>
<td>$7.76</td>
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<tr>
<td>The Western Union Company</td>
<td>WU</td>
<td>Buy</td>
<td>$23</td>
<td>$8.99</td>
</tr>
</tbody>
</table>

*Source: BTIG Research Estimates*
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Analyst Certification
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