

LendingTree: Google to compete on loan referrals

August 27 2009, By JOSHUA FREED , AP Business Writer

(AP) -- LendingTree, which allows prospective borrowers to get quick offers from multiple lenders, claims Google is about to get into the same business.

A LendingTree lawsuit against a separate technology provider claims that it has learned [Google](#) plans to launch such a service later this month or in early September. The lawsuit claims that LendingTree has received screen shots - pictures of a computer screen - showing a trial version of Google's service that indicate Google will give customers loan offers and contact information for lenders.

Google Inc. issued a written statement Wednesday saying it is "working on a small ad unit test" involving a limited number of mortgage-related searches.

"We have a number of experiments going on at any one time, but we don't speculate on future product development," the company said.

Google has made several moves that lead it away from its core business of selling ads alongside [Internet search](#) results. Last month it altered its popular [Google Maps](#) page to highlight its [real estate](#) search tools.

Other experiments have included an operating system for mobile devices, and Google Voice, which gives people an additional phone number that's not tied to any one phone line. Earlier this year it unveiled a PowerMeter that homeowners can use to track energy use.

A Google move into the lending referral business would be one more step away from its core business, said Rob Enderle, an analyst for the Enderle Group.

"It could represent a solid threat to LendingTree, and a distraction for Google," Enderle said.

LendingTree, a unit of Tree.com Inc., announced the lawsuit on Wednesday, a day after it was filed in U.S. District Court in Charlotte, N.C., where the company is based.

The lawsuit seeks an injunction against a company called Mortech Inc., which helps automate pricing by lenders who are offering loans. The lawsuit says Mortech works for lenders, not for LendingTree. But LendingTree claims Mortech signed an agreement limiting its ability to make pricing searches available to other online loan aggregators. LendingTree claims Mortech has broken that agreement by giving data related to mortgage offers to Google in connection with Google's testing.

"In the course of its collaboration with Google, Mortech will inevitably disclose the confidential, proprietary, and secret information that it has about LendingTree," LendingTree claims in the court papers.

A Mortech spokeswoman as well as Google declined to comment on the lawsuit. A court hearing is planned for Sept. 2.

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Citation: LendingTree: Google to compete on loan referrals (2009, August 27) retrieved 12 May 2024 from <https://phys.org/news/2009-08-lendingtree-google-loan-referrals.html>

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