

Crypto Just Entered the 13 Trillion Dollar Mortgage Machine

Fannie Mae Accepts Bitcoin Collateral. Coinbase and Better Launch March 26. 52 Million Americans Can Now Buy a Home Without Selling Crypto. -- Q2 2026

On March 26, 2026, Coinbase and Better Home and Finance launched the first crypto-backed conforming mortgage in American history -- a product accepted by Fannie Mae that allows borrowers to pledge Bitcoin or USDC as collateral for a down payment loan while simultaneously taking out a standard Fannie Mae conventional mortgage on the home itself. The borrower keeps their crypto. They never sell it. They never trigger a capital gains tax event. And they access homeownership using digital wealth that the traditional mortgage system had previously treated as nonexistent. Coinbase Mark Troianovski framed the significance directly: we are giving people access to housing in a way that is very similar to how private bankers serve some of the wealthiest customers. They do not sell assets to buy stuff. They take loans against assets. Until March 26, 2026, that option was unavailable to anyone who stored their wealth in Bitcoin rather than a stock portfolio. The US mortgage market carries approximately \$13.4 trillion in outstanding residential mortgage debt. The Mortgage Bankers Association estimates \$2.2 trillion in annual origination volume. Realtor.com reported a 4.03 million home supply gap in its 2026 housing report. The average 30-year mortgage rate recently climbed to 7%. Total mortgage applications fell 10.5% year over year. Against this backdrop of affordability pressure, 52 million American adults -- 20% of the adult population -- own digital assets. Many of them have crypto wealth but not the liquid cash that traditional down payment requirements demand. The Coinbase and Better mortgage product is the bridge between those two realities. And it is just the beginning.

01 -- HOW THE CRYPTO-BACKED MORTGAGE ACTUALLY WORKS

The Coinbase and Better crypto-backed conforming mortgage is structurally straightforward but architecturally significant. At closing, the borrower takes out two simultaneous loans. The first is a standard Fannie Mae conventional mortgage on the home itself -- with all the legal protections, conforming loan limits, and secondary market liquidity that a Fannie Mae-backed mortgage carries. The second is a separate down payment loan secured by the borrower's pledged Bitcoin or USDC holdings.

Both loans carry the same interest rate and amortization schedule, combining into a single monthly payment for the borrower. The interest rate on the crypto-backed product is higher than a standard 30-year mortgage -- borrowers can expect to pay between half a point and 1.5 percentage points above a standard 30-year mortgage depending on their profile. That premium above the norm is the cost of preserving liquidity: the borrower is not selling crypto to fund the down payment, which means the lender accepts the additional risk that Bitcoin or USDC price movements could affect the collateral value. The liquidation criteria on the down payment loan are tied to loan performance rather than asset

price disposal -- meaning Bitcoin price fluctuations do not automatically trigger a collateral call.

The Coinbase infrastructure plays two roles in the product structure. First, Coinbase custodies the pledged crypto collateral -- the Bitcoin or USDC that the borrower pledges as security for the down payment loan -- using Coinbase Prime, its institutional-grade custody platform. Second, Coinbase One members who are approved for a loan through Better are eligible for a rebate worth 1% of the mortgage value, capped at \$10,000, creating a direct financial incentive for Coinbase's most engaged users to use the product. Max Branzburg, head of consumer and business products at Coinbase, stated: token-backed mortgages are a major first step to unlocking homeownership for the younger generations that have struggled with barriers to saving for a traditional down payment.

Fannie Mae's acceptance of the product as a conforming mortgage is the regulatory validation that makes the crypto-backed mortgage structurally different from every previous crypto mortgage experiment. Fannie Mae is the government-sponsored enterprise that provides capital to the housing finance industry by purchasing conventional mortgages from lenders and packaging them into mortgage-backed securities. When Fannie Mae accepts a mortgage product, it means that product has access to the full liquidity of the secondary mortgage market -- that lenders can originate the loan and sell it to Fannie Mae, freeing up capital for the next borrower. Fannie Mae acceptance is not just a product approval. It is a declaration that crypto-collateralized down payments are compatible with the infrastructure of American housing finance.

PRODUCT STRUCTURE: Loan 1 is standard Fannie Mae conventional mortgage on the home. Loan 2 is down payment loan secured by pledged Bitcoin or USDC. Single monthly payment 0.5 to 1.5 points above standard 30-year rate. Borrower never sells crypto. No capital gains event. Coinbase One members get 1% rebate capped at \$10,000.

02 -- THE 52 MILLION ADDRESSABLE MARKET: WHO THIS PRODUCT SERVES

The addressable market for crypto-backed mortgages is defined by the intersection of two populations: Americans who own crypto and Americans who want to buy a home but face affordability barriers. The overlap of those two populations is larger than any previous financial product has been designed to serve.

52 million American adults -- 20% of the adult population -- own digital assets, according to market reports cited by National Mortgage Professional. This population skews younger: the demographic that has accumulated the most crypto wealth is the same demographic that has been most locked out of homeownership by the combination of high home prices, elevated mortgage rates, and the requirement to accumulate liquid cash savings for a down payment while simultaneously managing student loan debt and the high cost of renting in major metropolitan areas.

The specific affordability constraint that the crypto-backed mortgage addresses is the down payment gap. A median-priced US home in Q1 2026 requires approximately \$80,000 to \$120,000 in down payment and closing costs at the 10% to 20% down payment levels that avoid private mortgage insurance or qualify for the best conventional mortgage terms. For a 30-year-old who has accumulated \$100,000 in Bitcoin since 2020 but has not accumulated \$100,000 in liquid cash savings, the traditional mortgage system offers two options: sell the Bitcoin to fund the down payment -- triggering a capital

gains tax event and permanently exiting a position that may continue to appreciate -- or delay homeownership until sufficient liquid cash savings are accumulated.

The crypto-backed mortgage eliminates both of those constraints. The borrower pledges the Bitcoin as collateral rather than selling it, avoids the capital gains tax event, preserves the long-term investment position, and accesses homeownership immediately. For the millions of Americans who have been building crypto wealth while waiting for a homeownership pathway that does not require them to liquidate that wealth, the March 26 product launch represents the most significant change in the accessibility of homeownership since the 30-year fixed-rate mortgage was standardized in the post-World War II era.

03 -- FANNIE MAE ACCEPTANCE: WHY THIS CHANGES THE ENTIRE MORTGAGE MARKET

Fannie Mae's acceptance of crypto-backed conforming mortgages is the most consequential regulatory development in the intersection of crypto and real estate since the SEC approved the first Bitcoin ETFs in January 2024. Understanding why requires understanding what Fannie Mae is and why its acceptance of any collateral type changes the entire mortgage origination market.

Fannie Mae -- the Federal National Mortgage Association -- is one of the two government-sponsored enterprises that provide liquidity to the US mortgage market. Together with Freddie Mac, Fannie Mae purchases conventional mortgages from lenders, packages them into mortgage-backed securities, and sells those securities to investors. This secondary market function is what allows mortgage lenders to originate mortgages continuously -- because lenders can sell the loans they originate to Fannie Mae rather than holding them on their balance sheets, freeing up capital for the next borrower.

When Fannie Mae accepts a new type of collateral or a new mortgage structure, it is not making a decision for one lender. It is making a decision for every lender in America that wants to originate Fannie Mae-conforming mortgages. The approximately 5,000 mortgage lenders and banks that originate conventional mortgages and sell them to Fannie Mae can all now offer crypto-backed mortgages to their borrowers -- because Fannie Mae will purchase those loans. The product that Better and Coinbase launched on March 26 is not a product available only from Better. It is a product architecture that any Fannie Mae-approved lender can implement using Coinbase or a comparable crypto custodian as the collateral infrastructure provider.

Tony Giordano, a real estate agent specializing in cryptocurrency, stated on a recent Property Play podcast: I do not see how the entire real estate industry will not be on the blockchain within 10 years. The Fannie Mae acceptance of the Coinbase and Better crypto-backed mortgage is the institutional foundation for that prediction -- not because it immediately moves the entire real estate industry onto blockchain, but because it establishes the precedent that the largest secondary mortgage market buyer in the United States will purchase mortgages backed by crypto collateral. Once Fannie Mae establishes that precedent, the entire downstream mortgage origination market adjusts to serve it.

04 -- FIGURE TECHNOLOGY AND THE BLOCKCHAIN ORIGINATION LAYER

The Coinbase and Better crypto-backed mortgage addresses the collateral side of the crypto-mortgage intersection. Figure Technology Solutions is building the blockchain infrastructure layer that addresses the origination side -- the process of creating, underwriting, and recording mortgage loans on blockchain rather than through traditional paper-based processes.

Figure Technology's blockchain mortgage origination platform uses the Provenance Blockchain -- a purpose-built public blockchain for financial services -- to record the entire mortgage origination process on-chain. A mortgage originated on Figure's platform has every step of its creation, ownership history, and payment record stored on an immutable blockchain ledger rather than in the paper files and proprietary databases that traditional mortgage origination uses. Figure has originated approximately \$14 billion in home equity loans through its blockchain platform, making it the largest blockchain-native mortgage originator in the United States.

Figure also launched the YLDS token on the Solana network -- a yield-bearing token backed by US Treasuries that functions as a tokenized money market fund with 24/7 secondary market liquidity. The YLDS token is designed to serve as the settlement currency for mortgage-adjacent transactions on blockchain -- creating a direct connection between Figure's blockchain mortgage origination infrastructure and the broader tokenized Treasury and stablecoin ecosystem described in earlier reports in this research series.

ECGI Holdings is running a parallel mortgage tokenization pilot through its RezyFi and ResMac subsidiaries -- representing one of the first attempts to tokenize existing mortgage portfolios as on-chain assets rather than only originating new mortgages on blockchain. The Federal Reserve, FDIC, and OCC jointly confirmed in March 2026 that tokenized securities receive the same capital treatment as their non-tokenized counterparts -- the regulatory green light that allows banks to hold tokenized mortgage-backed securities on their balance sheets without capital penalty.

05 -- THE \$13.4 TRILLION OPPORTUNITY: MORTGAGE-BACKED SECURITIES ON BLOCKCHAIN

The crypto-backed mortgage and blockchain mortgage origination products launched in Q1 2026 are the retail and origination layers of a much larger transformation: the potential migration of mortgage-backed securities onto blockchain infrastructure. The US residential mortgage market carries approximately \$13.4 trillion in outstanding mortgage debt. The US mortgage-backed securities market -- the secondary market for packaged and sold mortgage loans -- is one of the largest fixed-income markets in the world, second only to the US Treasury market in terms of outstanding issuance.

The specific inefficiencies of the traditional mortgage-backed securities market are well documented and directly analogous to the inefficiencies that blockchain settlement has already proven it can eliminate in the repo and Treasury markets. Mortgage-backed securities settle on a T+3 to T+4 basis -- three to four business days after trade execution -- through complex processes involving DTCC's fixed income clearing operations. Prepayment uncertainty, servicer reporting delays, and the complexity of tracking individual loan performance within large securitized pools create significant operational costs for investors and servicers.

Ark Invest's Big Ideas 2026 report projected the tokenized asset market could surpass \$11 trillion by 2030. CoinGecko's 2025 year-end study ranked real world asset tokenization as the most profitable crypto narrative of the year, with average returns of 185.8% across its largest tokens. Deloitte's 2025 outlook projected a \$4 trillion tokenized real estate market by 2035. The \$13.4 trillion US mortgage market represents one of the largest asset classes not yet meaningfully represented on-chain -- and the combination of Fannie Mae's crypto collateral acceptance, Figure's blockchain origination platform, and the Federal Reserve, FDIC, and OCC's joint confirmation that tokenized securities receive the same capital treatment as traditional equivalents creates the regulatory and institutional infrastructure for mortgage-backed securities to migrate onto blockchain in the next decade.

06 -- CONCLUSION: CRYPTO JUST ENTERED THE BIGGEST ASSET CLASS IN AMERICA

The US residential mortgage market is the largest single asset class in the American economy -- larger than the US equity market, larger than the US Treasury market, larger than any other fixed-income or real estate category. It is the market through which the majority of American household wealth is created, held, and transferred across generations. And on March 26, 2026, crypto entered it.

The entry is not complete. The Coinbase and Better crypto-backed mortgage is one product from one lender -- though Fannie Mae acceptance means the architecture is available to every lender in America. Figure Technology's blockchain origination platform has processed \$14 billion in home equity loans but has not yet touched the \$2.2 trillion annual conventional mortgage origination market. The tokenization of mortgage-backed securities on blockchain infrastructure is a projection, not a current reality. But the foundation has been laid in a way that makes the trajectory clear.

For investors who have been following the complete institutional tokenization buildout across the Alain AI Lab research library -- the DTCC tokenization program, the BlackRock BUIDL and BSTBL products, the XRP Ledger Treasury settlement, the Moody's Aaa-mf ratings -- the March 26 crypto mortgage launch is the consumer-facing confirmation that the tokenized asset economy is no longer limited to institutional asset classes. It has entered the single largest asset class in the American economy. The \$13.4 trillion mortgage machine just got a crypto onramp. And 52 million Americans who own digital assets can now use that wealth to buy a home without selling it.

On March 26 2026 Fannie Mae accepted the first crypto-backed conforming mortgage from Coinbase and Better. 52 million American adults own crypto. The average 30 year rate is 7%. The housing supply gap is 4.03 million homes. Bitcoin and USDC just became down payment collateral for the biggest asset class in America.