



## Frequently Asked Questions – Marketplace Solutions

### **What does marketplace lending mean?**

Marketplace lending means that our platform has access to a marketplace of banks and lenders. We will run a soft pull credit report on the consumer and based on our proprietary algorithms we match them with the best possible offer. Consumer get the best rate and merchants can sell more of their goods and services. It's a win-win.

### **What is the merchant underwriting criteria?**

**Because this is a direct to consumer lending program, our underwriting is very minimal. We typically have merchants approved with 24 hours.**

**We approve historically high-risk merchants that many banks or lenders will not finance. Like new startups, business opportunities, vocational training, medical procedures, loan consolidation, student tuition, ecommerce and of course all brick and mortar business types.**

### **What does the consumer facing approval process entail?**

The approval process is very quick and easy for consumers.

#### **Step 1 - complete the online application**

#### **Step 2 – if approved an offer will be presented to the consumer**

#### **Step 3 – work directly with the lender to complete paperwork and receive funds**

#### **Step 4 – complete purchase with merchant**

### **Does this system include unsecured Installment loan financing options?**

Yes, the rates range from 5.99% to 34.99% depending on the consumers credit profile and state they reside in.

### **Does the program include 0% deferred interest plans?**

The marketplace solution currently does not offer 0% percent or same as cash offers. If your client needs a SAC program we have a variety of lenders we can place them with.

**Is there any prepayment penalties or default interest rates that are imposed on my clients back to purchase date?**

No.

**What is the cost to fund a loan?**

The cost to fund a loan is based upon the discount rate being charged, the discount rates is determined by business type and lending risk factors.

**What is the max term loan?**

We offer term loans up to \$100,000 with an 84 month payback with excellent credit, other programs finance as high as \$35,000. The minimum loan amount is \$1000.

**When are loans funded?**

Loans are funded based on each lenders criteria, all proceeds go to the consumer not the merchant. The consumer will then go back to the merchant and make the purchase of goods or services. Typically, 72 hours to 5 days.

**If the funds go to the consumer is there a risk the merchant will lose the sale?**

We recommend the merchant collect a deposit and get a signed contract prior to loan approval. Certainly, once a consumer is funded they could decide to change providers or contractors, but this is a rare occurrence.

**Does the merchant have to pay their discount if the consumer does not purchase from them?**

If the consumer is funded but does not purchase from the merchant, they will not be charged a discount fee.

**How long does it take to get a loan approved?**

Approvals are usually within seconds. Merchants just need to direct consumer to their online apply page, consumers can apply from any internet connected device either in the store or at home. They will select the offer that fits their needs the best and work directly with that lender to secure funds.

**Is the recourse to the business owner on defaulted loan payments?**

No, there is no recourse to the business owner.

**Are there relaxed credit scores from some providers?**

With over 14 lenders to choose from we offer financing programs that buy down to a 580 credit score.

**No down payments required for customers?**

We required no down payment.

**Is there a cost to check if a consumer qualifies for financing?**

There is no cost to the consumer to see if they qualify for financing. Depending on the consumer credit score some lenders charge origination fees once they decide to move forward with the loan. Origination fees can range from 1% to as high as 5% for very challenged credit.

**Do you run a credit report when qualifying for financing?**

We run a soft pull credit report, which has no impact on their score to prequalify them for financing. Once the consumer selects and offers a hard credit report will be pulled by the lender.

**What is included in the monthly subscription fee?**

The monthly subscription fees help us cover the cost of maintaining compliance and application interfaces to our lender base. Merchant's also receive a hosted apply page to direct potential customers to, reporting and customer support. There are also daily, weekly, monthly reports that can be emailed to the business owner or they can request portal access to review their loan activity.

**Are these secured loans?**

No, all our loan approvals are unsecured.

**Loan Status Definitions:**

**api\_approved:** customer was pre-approved and matched with a lender

**api\_rejected:** customer was declined and not matched with a lender

**clicked\_referral\_link:** customer clicked on the recommended lender offer

**clicked\_special\_offer:** customer was presented an offer for **challenged credit**

**applied:** customer has started the lender's paperwork

**approved:** customer has completed the lender's paperwork

**funded:** customer has been funded by the lender

**"Could not match you with a lender":** rejected – not approved