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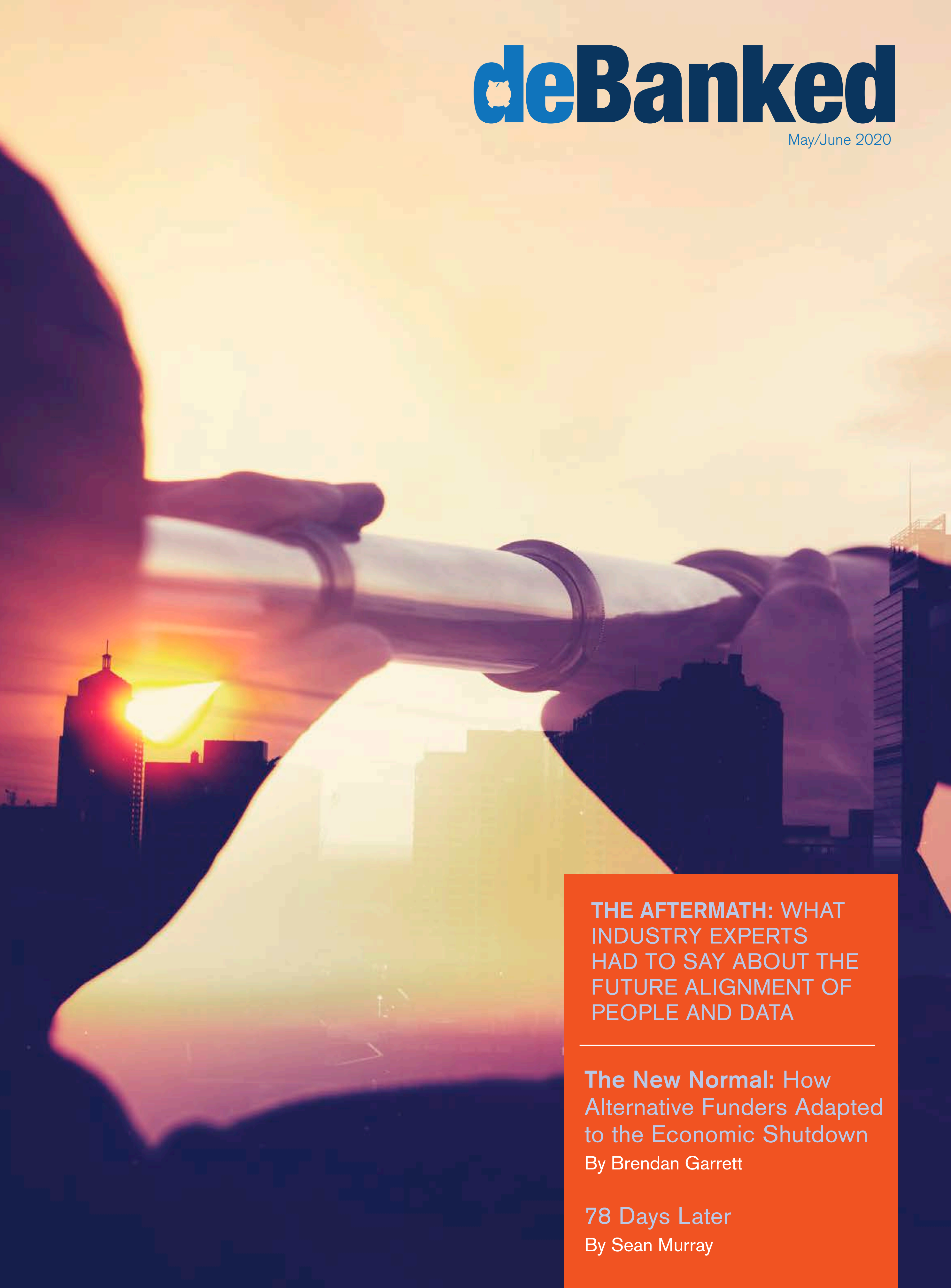
May/June 2020



THE AFTERMATH: WHAT INDUSTRY EXPERTS HAD TO SAY ABOUT THE FUTURE ALIGNMENT OF PEOPLE AND DATA

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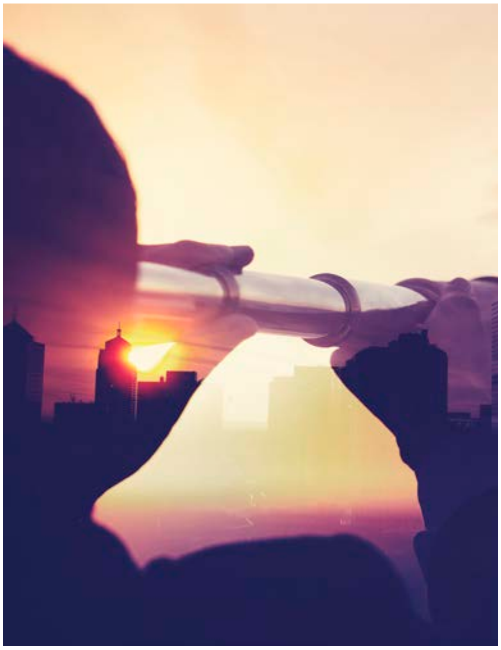

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Letter From the Editor

BY
SEAN MURRAY

What happened in the 2nd quarter of 2020 is far from over. Industry insiders have told us that a return to normalcy could take anywhere from a few months to as long as two years. While certain aspects of human behavior may permanently change as a result of what's happening, tech and finance will obviously not go away. Fintech will just adapt. The need for capital will remain. In this issue, we offer the latest stories on what's happening right now.

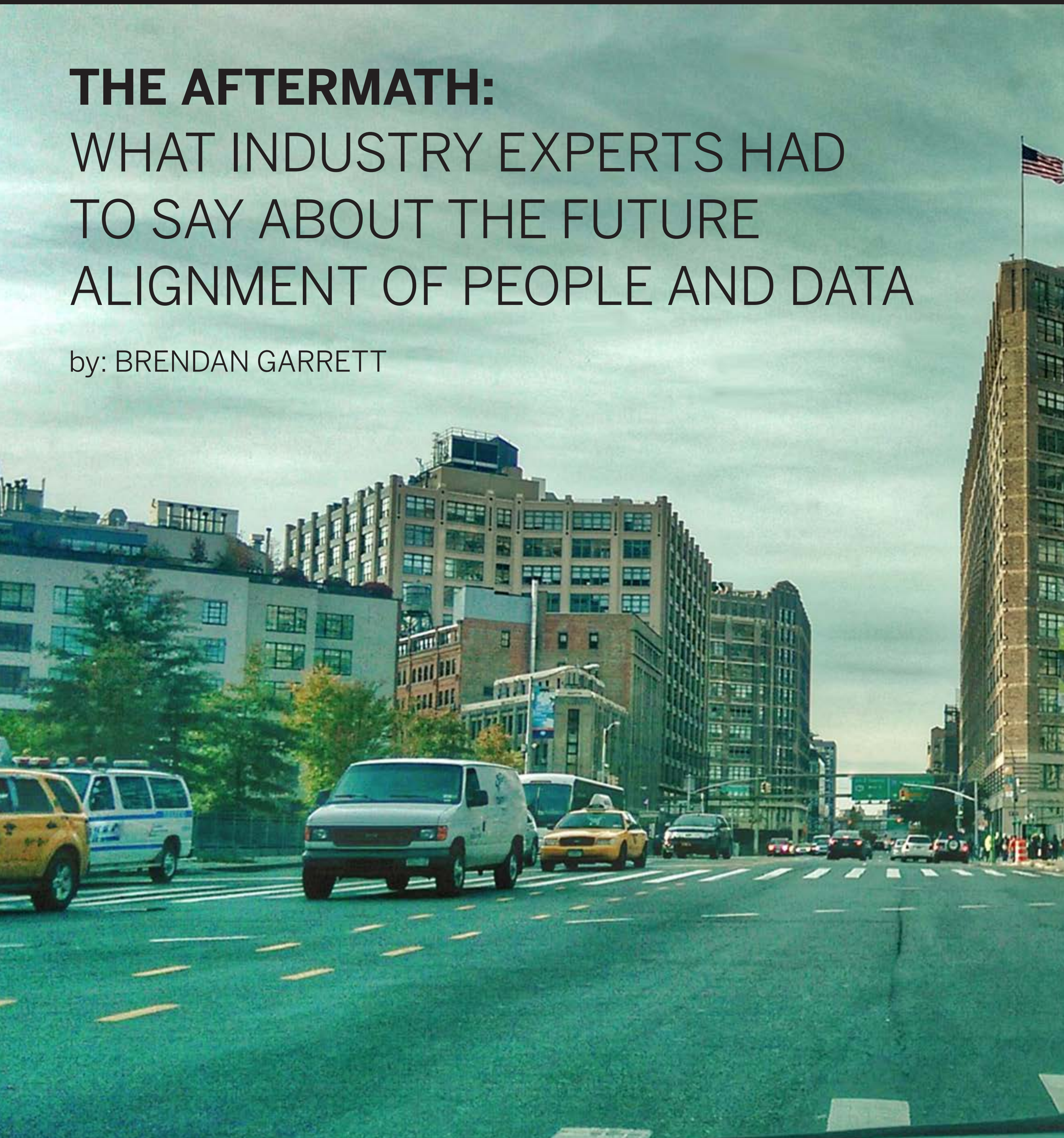
On June 11th, we held the industry's first-ever virtual event, Broker Fair 2020 Virtual. We look forward to seeing you all again in person on March 22nd at Convene at Brookfield Place in NYC for Broker Fair 2021. I think it will be much needed!!!

Sean P Murray

–Sean Murray

THE AFTERMATH:
WHAT INDUSTRY EXPERTS HAD TO SAY ABOUT THE FUTURE ALIGNMENT OF PEOPLE AND DATA

by: BRENDAN GARRETT

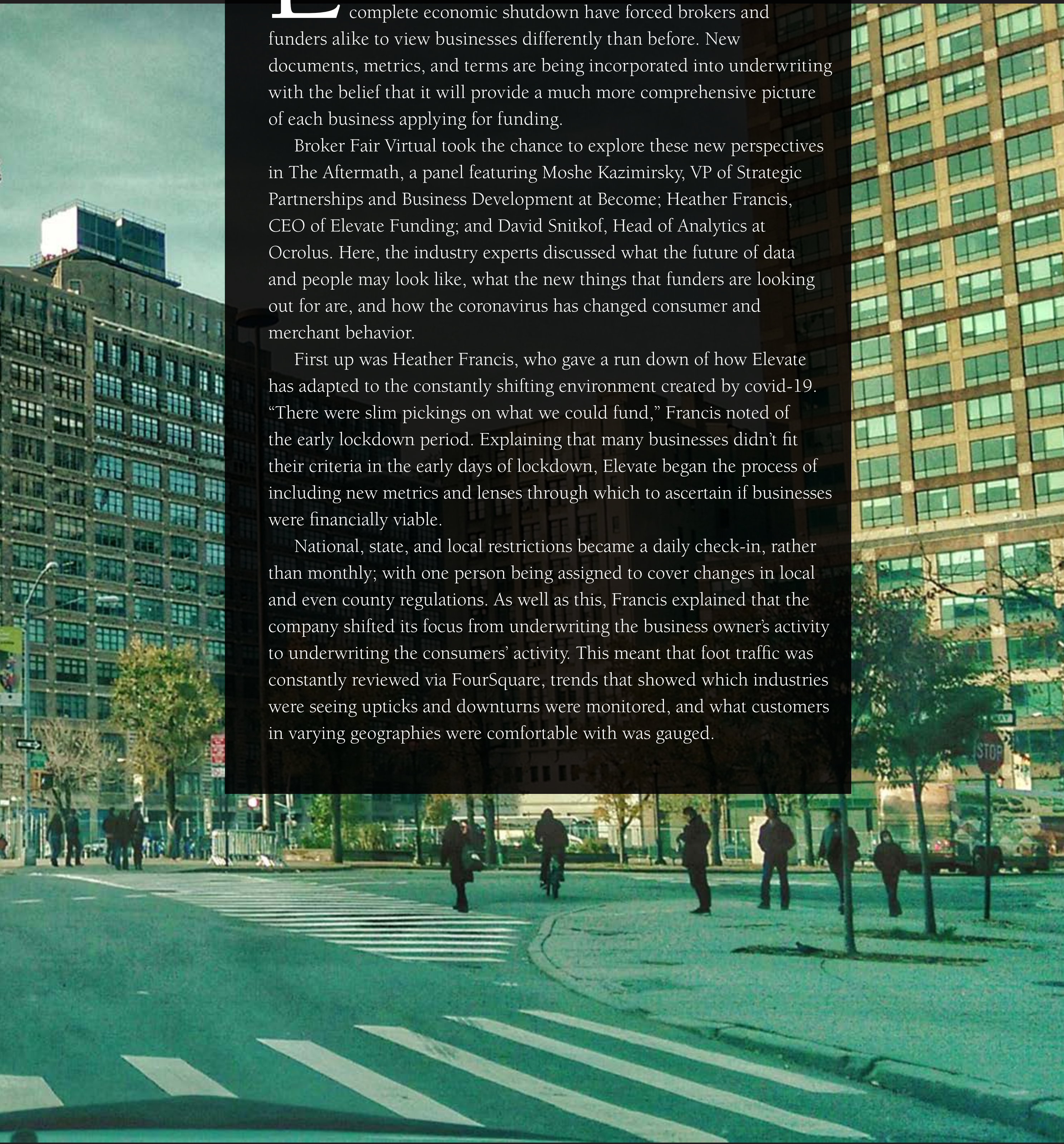


Like never before, the ways in which people and data are employed are overlapping more in a post-covid economy. Nearly three months of slow-down and, in some cases, complete economic shutdown have forced brokers and funders alike to view businesses differently than before. New documents, metrics, and terms are being incorporated into underwriting with the belief that it will provide a much more comprehensive picture of each business applying for funding.

Broker Fair Virtual took the chance to explore these new perspectives in The Aftermath, a panel featuring Moshe Kazimirsky, VP of Strategic Partnerships and Business Development at Become; Heather Francis, CEO of Elevate Funding; and David Snitkof, Head of Analytics at Ocrolus. Here, the industry experts discussed what the future of data and people may look like, what the new things that funders are looking out for are, and how the coronavirus has changed consumer and merchant behavior.

First up was Heather Francis, who gave a run down of how Elevate has adapted to the constantly shifting environment created by covid-19. “There were slim pickings on what we could fund,” Francis noted of the early lockdown period. Explaining that many businesses didn’t fit their criteria in the early days of lockdown, Elevate began the process of including new metrics and lenses through which to ascertain if businesses were financially viable.

National, state, and local restrictions became a daily check-in, rather than monthly; with one person being assigned to cover changes in local and even county regulations. As well as this, Francis explained that the company shifted its focus from underwriting the business owner’s activity to underwriting the consumers’ activity. This meant that foot traffic was constantly reviewed via FourSquare, trends that showed which industries were seeing upticks and downturns were monitored, and what customers in varying geographies were comfortable with was gauged.



"There are some areas in our country that were not heavily impacted," Francis explained, commenting on the discrepancies between locations, particularly for bars and restaurants. "I know some of us have our optics on what's going on in our daily lives, and a lot of people in our space are located in New York or California, and these were the very heavily regulated areas where everything was shut down and there was not much to do. Here in Florida, it was easier, with open-seating dining."

David Snitkof echoed Francis's points, saying that "the old way of businesses underwriting credit is no longer sufficient … If you were to only look at people's repayment histories, their credit profiles, and things like that, you wouldn't get all the data you need to make the right decision. Generally there's this idea that the past is prologue and the greatest predictor of future results is past behavior, and this type of pandemic makes that no longer the case … we need to think beyond the traditional data sets that people have used to underwrite credit."

According to Snitkof, the old models for underwriting and funding have been overturned, with funders adhering to three principals going forward as they chart new methods: more data, more time, more detail. This means incorporating more data and analytics than before, pushing for more data-driven strategies; requesting information and data from merchants that cover longer periods of time, with the hope of gaining further insight into the pattern of the business; and upping the thoroughness with which each merchant is scrutinized, recording more information that is unique to their industry, location, and business management.

"Lenders will realize that in order to make a credit decision, we need to have access to very deep, detailed, and wide time-framed data of our customers; and we need to be able to process it in an automated and efficient way," Snitkof asserted.

Still, while it looks like data is due to play a larger role in the future, Heather Francis took care to mention that important data is currently missing from their metrics. Credit and delinquency reporting are on hold, just as rent is paused for many tenants; meaning that in two or three months, many funders could be in for a surprise when they realize their merchant is having trouble.

Speaking on the Paycheck Protection Program as well as the Economic Injury Disaster Loan, both Snitkof and Francis expressed that while it is good to see deposits for the government programs, questions must be asked regarding them. They can't be viewed as revenue, since they do not reflect a business's ability to generate revenue, said Snitkof, but rather they offer a chance to view how a company manages its cash-flow, with how they spread out PPP and EIDL funds being a key insight.

Looking forward, the panelists noted that the experiences of economic shutdown; PPP; EIDL; and how many business owners' banks supported, or did not support, them could lead to a shift in how non-banks are viewed.

"It's definitely a time and place for us to really highlight how our industry is placed to assist small businesses," Francis stated. "We should really take this opportunity to expand on what we can do and how we can help. I think it's our moment to shine because a lot of banks have pulled back on what they're able to do in this time."

This pulling back by banks became clear during the peak of the PPP application period, when many business owners complained of a lack of or poor communication between themselves and the bank they applied to. Highlighting the importance of the customer experience, Snitkof pointed out that this aspect of alternative finance may only become more important as time goes on.

"We have this golden age of customer service. Customers are going to demand good funding, on the right terms, with full transparency, with good speed of decisioning, with a good relationship, and if they can get that from someone who is not a bank, but is an alternative finance provider, then that's a great funding scenario for them."

More generally though, the panel ended on a note of ambiguity over the future, with the speakers agreeing that what comes next will be uncertain and challenging, as Francis reminded the audience of what 2020 has in store: a presidential election and a possible second wave of the novel coronavirus.

But there may also be opportunity for those who are there to take it, according to Snitkof, who finished off by saying that "the silver lining of what we've just been through as a country, as a world, as an industry, is that all those things that were good enough, they were on pause. So it's given people the time and space to reimagine what they could do and actually look at the capabilities that we've available to us and say 'maybe we can provide a great personalized customer experience to every small business and customer out there. Maybe we can be more automated and data-driven in our decisions. Maybe we can actually extend better terms on financing to people because we're able to determine risk better, and optimize our market spend and cost of capital better.' One of the good things about a disruption is it takes away a lot of the stuff that was good enough; a lot of those sacred cows are now ready to be disrupted and maybe in a few years we'll see rapid innovation along those lines."

THE NEW NORMAL: HOW ALTERNATIVE FUNDERS ADAPTED TO THE ECONOMIC SHUTDOWN

By *BRENDAN GARRETT*

The great leveler, the big disruptor, the catalyst for a new Great Depression: covid-19's impact on the world's economies has been labelled many things. As analysts and armchair economists alike rush to make sense of the figures and feedback from disrupted customer relations, unprecedented inactive markets, and mass unemployment, Broker Fair Virtual sought to break down what the repercussions of the novel coronavirus meant for fintechs and non-bank lenders.

In 'The New Normal for Agile Finance,' a panel sponsored by NYC Fintech Women, figures from various corners and positions in alternative finance came together to discuss exactly this. What their companies were forced to do to survive, how public opinion surrounding non-banks has shifted, and what new practices and standards emerged as a response to the novel coronavirus were all up for discussion by the panel that featured Nicole Newlin, VP of Solutions at Ocrolus; Denada Ramnishta, SVP of Partner and Lender Strategy at Lendio; Ombeline Picquet, Sr. Manager of Strategic Partnerships at Fundera; and Audrey Kim, Head of Product at Square's Capital division.

Kicking off the conversation, Newlin as moderator noted that "we know that fast and flexible working capital is the key to starting and growing small businesses; and with successful businesses, like all of yours, it's proven now that the older mainstream brick and mortar ways of doing things are not as flexible to entrepreneurs and maybe not as nimble." This acknowledgment of the disparities and differences between fintechs/non-bank lenders and financial institutions proved to be a big theme throughout the talk, with many of the speakers recounting their experiences with the paycheck protection program, and how their unique ability to adapt quickly as a non-bank enabled them to excel.

Kim, for example, pointed out how swiftly Square mobilized to secure a place in the SBA program, saying, "typically when you have a tech project you have to herd all the cats, you have to write the deck and say, 'here's why we're doing this and why it really matters to the business and all this stuff,' and with PPP you didn't have to do that because it was so self-evident. At the same time, nobody had anything to do, so everyone was free all the time and so our team of about 150 people ran as hard as we could for 24 hours a day for eight weeks straight. And Square was not an SBA lender at the beginning of this so we had to build an SBA program overnight, and we didn't even have our application out at the time it ended so we thought we'd miss out on the whole thing, but we built it up anyway and got into the second round and ended up in the top 10 SBA lenders overnight basically."

Similarly, Picquet recounted how from the get-go everyone at Fundera was involved with the PPP effort, which meant upping the company's communications through calls, emails, and its blog.

"We wanted to serve as a source of truth and guidance through what would be and still is a very confusing time for small businesses … Every single person from the CEO down was on the phone every day with customers, hearing them out and being an ear to listen, but also making sure that we can package their applications and getting the documents that the banks need to get them their funds. It was really exhausting and I think most of who came out of PPP think of it as a positive experience, it reminded me of why companies like Fundera exist, and really brought our teams together when they were miles apart and across the world."

Echoing this, Kim also said that the PPP effort highlighted the benefits of working in alternative finance, as "what made it particularly gratifying for us is that our customer base is very different than the people who got round one loans. For round one, I think the average PPP loan was $600,000; in round two, the last time I checked it was around $240,000; our average loan size is $10,000. So our customer base really just represents people who had no shot with their normal bank … the big banks ultimately made their choices with who they were going

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to serve and who they were going to allocate their scarce manual application review hours to, and I can't fault them, their resources aren't infinite. But it did leave a bunch of customers vulnerable and I'm super happy we had the opportunity to serve them."

Speaking further on this difference between banks and non-banks, Denada Ramnishta opened up about how each camp's ability to work digitally is one of the driving forces in this divide, and how Lendio has turned these discrepancies to their advantage.

"We're seeing an evolution now in lending being digitized and the ability from various lenders to leverage data and technology in order to underwrite. Now covid has really thrown a wrench into everything, including the lenders' ability to manage and assess risk. Specifically for Lendio, being ahead of the curve and on the cutting edge of having leveraged technology in a way that we integrate with our lenders on the platform, which prior to covid we had 75 of them, and also in the way by which we facilitate the customer experience, which is a dynamic application that tailors to what the business needs. We see the opportunity and need for the financial institutions to digitize as an option for us to provide those services and partner with those financial institutions in order to help the entire ecosystem progress towards a better customer experience, but also a better lending experience."

According to Ramnishta, throughout PPP, Lendio partnered with over 300 financial institutions, enabling them to provide digital services for applicants, with over 100,000 customers being served.

This aspect of cooperation on a previously unknown scale stuck out for Kim, who hoped to see it again in the future, albeit under not as dramatic and threatening circumstances. "There was an incredible amount of collaboration that happened around PPP," the Head of Product stated. "The analogy that our team used to refer to the PPP experience was that it felt like a video game where every level you had to kill a certain monster to survive and get to the next level, whether it was the SBA dropping new guidance yet again and it's totally different than the last time, or whatever other challenges arose. But not only was it all of us in it together, but all the other lenders were in it together because all the rules were changing all the time."

And when asked about what's going on internally at each of their companies going forward, as Fundera, Lendio, and Square reflect on their experiences from the last three months and adjust their strategies going forward, each panelist spoke of different priorities. For Picquet, building new connections; furthering developing existing relationships, especially with CDFIs; and better understanding their customer base is at the heart of Fundera's plans. Ramnishta on the other hand explained that Lendio wants to double down on its technology, with plans to create a streamlined dashboard and collaborate with tech companies to offer customers a more efficient service. And at Square, Kim spoke about how the company hopes to better serve those business owners the company considers underserved, levelling the playing field for those in need of capital.

Altogether, 'The New Normal for Agile Finance' spoke to the strengths of non-banks. Flexibility, speed, and an ability to directly communicate with merchants and funders alike were the key traits of the alternative finance industry that these figures attributed to getting them through the economic shutdown. Time will tell however if those three months of economic shutdown were the worst of covid-19's economic impacts, or just the first part.

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The Underwriter's Song of 2020

By: Unknown artist

It was just a day in February when my broker sent a deal
I remember feeling ordinary because COVID wasn't real
Another ruse, just more fake news, I went and pulled the credit
A sterling score, I said please send more, but the broker said forget it
The lender just next door to you, he offered to pay me double
Plus they need less docs for their wider box, saving me the trouble
It was on that day that I said "hey!" I'm sick of being small
I called that broker back and swore I would fund them all
So he sent the files, several piles, of paper good and bad
And I did what I should not have, so the broker would not be mad
Hot damn my port was a big 'ol fort of terrifying risk
But I checked deBanked's top funders and we were up there on the list
I pulled up my chair, said a prayer, "so long as things remain"
On an upward track, in the black, there won't be any pain
But then came March and things looked dark, I couldn't believe my eyes
They said stay indoors and close your stores, we're really sorry guys
America is shutting down, we hope you were prepared
If you were very careful then you'll probably be spared
Of course I freaked when our financials leaked, I tried to rationalize
That we had to fund those files to compete with the other guys
It was no no no and then fund fund fund, I tell you it was grand
I made my case on Daily Funder but the contents got me banned
It wasn't me, it was the broker you see, it all started with a deal
His spiel about getting double, turns out it wasn't real
So jolly hot damn, I'm in a jam, of the sort that's budgetary
How I wish, nay I pray! That it was February

78 Days Later

By: Sean Murray

In 2002, a fictional bike courier named Jim awoke from a coma in a London hospital only to find the city deserted. It had been "28 days later" since the initial outbreak of a deadly virus and signs were littered all over the city paying tribute to the fallen. Old trampled newspaper clippings strewn about the barren streets warn of a coming pandeimc. Those who could leave, left in a hurry.

On Friday, March 13, 2020, the real-life editor of an alternative finance publication let his staff know that it would be okay to work from home. It was envisioned to be for two weeks, maybe longer, and anyone who wanted to continue working from the office in Brooklyn, New York, was free to do so. That's where I intended to remain, plugging away, writing and editing stories for the industry magazine I had been publishing for five years.

Come Monday, the regular bustling breakfast joint I often patronize for a bagel or fruit cup was staffed by a single person. There were normally half a dozen employees behind the counter. When I went up to the register, I was looked at rather suspiciously.

"You're the first one," he said. "The first one of what?" I replied. "The first customer. I've been in here for hours and no one has come in yet except for you."

"Oh," I responded, suddenly reflecting back on how the morning commute had been much quieter than usual. Something had changed over the weekend. And yet I wasn't naively unaware of what was going on. It was the new coronavirus. But by Mid-march, it had been rather old news around here, or so I thought. Many residents in my neighborhood, a few miles from Brooklyn, had been wearing surgical masks outside and during their commutes since January to the point where I temporarily joined in on the trend but stopped when nothing had actually happened. Yes, I had first donned a mask in **January**.

Rising public fear a full two months later seemed little more than a way to breathe life into a tired news cycle. Even my neighborhood had grown bored of wearing masks and had mostly resumed their travels outside without them.

The coronavirus? Seriously? Again with this? I thought.

By lunchtime, the breakfast place I visited earlier had closed down early. The lights were off and doors locked. The boisterous grounds of Metrotech nearby had also grown eerily quiet. My backup place for lunch, virtually empty. One food service worker was using the same gloves they touched dollar bills with as they did the food, something I never paid any attention to. This time I noticed. Well that's not hygienic, I thought, but I ordered a BLT nonetheless.

By mid-afternoon the news headlines became more dire. The mayor and the governor sparred over whether or not to shut down all non-essential businesses. **Shut them down? What are they talking about?**

It suddenly occurred to me that I had not gotten a haircut

in months and if the whisperings of government-forced closures had any bit of truth to them, well then it was time to solve my hair problems now. I left the office early and hopped on the subway. Several people had their jackets or shirts covering their mouths. Not the guy across from me though. He coughed. Loudly. A lot. Every passenger on the train-car froze and looked over. In all my years of taking the subway, somehow his offense was the most disturbing that any passenger had ever witnessed. And I've seen just about every worst thing. **But this guy coughing, here, in public? Why it was an outrage worth moving out of New York over!**

When my train dropped me off in Manhattan, I knew exactly where I was. It was London in 2002 and I had just awoken from a coma. Handwritten signs littered storefronts for blocks. "Closed", "Closed due to the virus," "Closed until further notice." One sign had been torn in half and just said "Virus" on the front door.

There were people about but no crowds. I took photos with my phone. The doorway to my barbershop was open but the place was empty. I walked in anyway. "Hello?" I called out. A young man stepped out from the back.

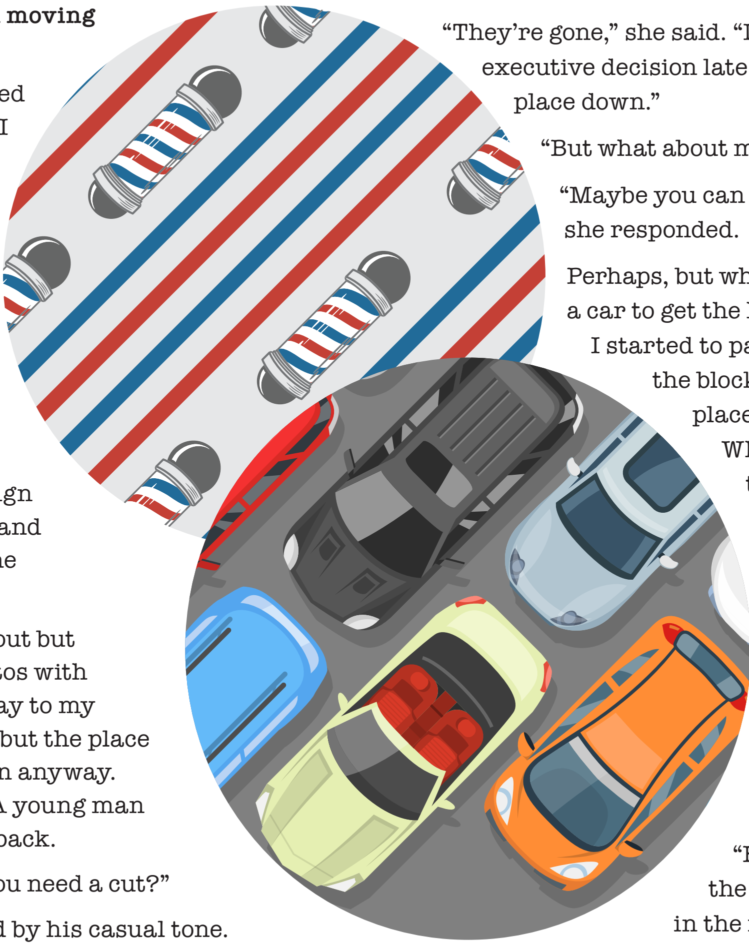
"Oh what's up dude, you need a cut?"

I was caught off guard by his casual tone. "Uh yeah, are you open?"

"Of course, sit down."

I knew most of the barbers here but had never seen this guy before. It was his first day. And I received a very bad haircut. That's when I made up my mind, it was time to get out of New York City very fast.

As a longtime city resident, I have not had a car in over a decade. If exiting the city required one, I would have to rent one. But what kind of psychopath ever leaves the city? This one apparently. And it was not my hair prompting it, but the risk of a deadly virus.



That evening I prepaid online for a rental and packed my bags. Come morning, I went to go pick up the car. Oddly, no one was there. Like no one. I circled around a few times and came upon a security guard.

"Hey, where are the car people?" I asked. She radioed some unidentified person and received a garbled message back.

"They're gone," she said. "Management made an executive decision late last night to close the place down."

"But what about my car? I prepaid."

"Maybe you can call them for a refund," she responded.

Perhaps, but what I really needed was a car to get the hell out of this place. I started to panic and ran down the block to a rival car rental place that appeared open. When I went through the entrance, huffing and puffing from the run, I asked the men at the front desk, who appeared to be wearing yellow space suits, if they were still renting cars.

"Yes, that's what we do here, why?"

"Because the place down the road just disappeared in the middle of the night and I really need a car."

They turned and looked at each other. It was a look of suppressed horror. Turns out they had no cars at present but would by nightfall before closing. I came back later and picked it up. A hand covered in three layers of gloves gave me the keys.

Vehicle secured. Preparing to exit virus containment zone.

Within an hour I was on the road and on the Jersey Turnpike heading south. That's where I was supposed to be anyway. It was hard to be certain since I appeared to be the only car on the entire highway. I wasn't sure if people had already left, had sheltered in place, or if something more nefarious was going on.

That I was occasionally passed by vehicles traveling in excess of 100mph did not offer reassurance. I passed a billboard. "Got a cough? Stay at Home," It said. That was the only pitch. I turned the radio dial. It was coronavirus this, coronavirus that, coronavirus left, coronavirus right. Another station was more ominous, a State of Emergency-like alarm on repeat interspersed with a chilling voice.

:::Booooooooop:::: **Wash your hands** :::Booooooooop:::: **Wash your hands** :::Booooooooop::::

My final destination was more than 200 miles away from New York City. I had brought only a few weeks worth of supplies.

By the following Monday, all non-essential businesses in New York would be shut down by executive order. Other states followed suit and the nation braced for pandemic impact.

People got sick. Many died. Friends shared stories of lost loved ones. My facebook feed blared the latest roster of death on a daily basis, many of them elderly, but certainly not all of them. Small businesses got slaughtered in the economic crossfire. Several of our customers went dark. No response. We used facetime, we fired up Zoom, we pretended like things were okay but they weren't.

A month out we began to survey the fallout in the alternative finance industry.

"How's business for you?" I asked.

"It's going well, complicated, but we're doing okay."

"That's great! So you're still funding and collecting and operating like usual?"

"What? Oh, no we're not in financial services anymore. We sell masks now. Hey, you need any masks?"

Masks. All of the sudden the nation's most valuable resource became protective gear. What was for sale and how legal it was to sell, wasn't clear. It seemed to be a rather fluid business model.

"Sorry we just moved all our units. What about hand sanitizer or toilet paper, you need that?"

By the end of April, stalwart online lender OnDeck ceased lending. They were far from the only ones. The company reported a $59 million Q1 loss and the stock plummeted to under a buck. Like other online lenders, they shifted their focus to Paycheck Protection Program (PPP) loans, the government program aimed at keeping workers off unemployment and on company payrolls.

PPP started off in highly controversial fashion, was said to have gone to the "1%" and was then rebooted in a second round with many corrective measures in place. But by then the PPP rules had changed so drastically that the public interest in it began to wane. Some businesses actually began to return their funds or hesitated to use them.

April turned to May which turned to June. I was still outside of New York City and new circumstances made an imminent return less likely. In other states, there were reports that life was returning to somewhat normalcy. You could do a lot of things that you used to be able to, so long as you wore a mask.

"Wear a mask," New York's governor tweeted.

I wore a mask, a bandana, a towel, a folded-up t-shirt. We flattened the curve, unburdened the hospitals, distanced ourselves socially.

And then...

78 days later, no one is exactly sure how this all ends. In 28 Days Later, the terror is momentarily broken up by a short bit of comic relief. It goes like this:

A man walks into a bar with a giraffe. They both get pissed. The giraffe falls over. The man goes to leave and the bartender says, "Oi. You can't leave that lyin' there." And the man says, "No, it's not a lion. It's a giraffe."

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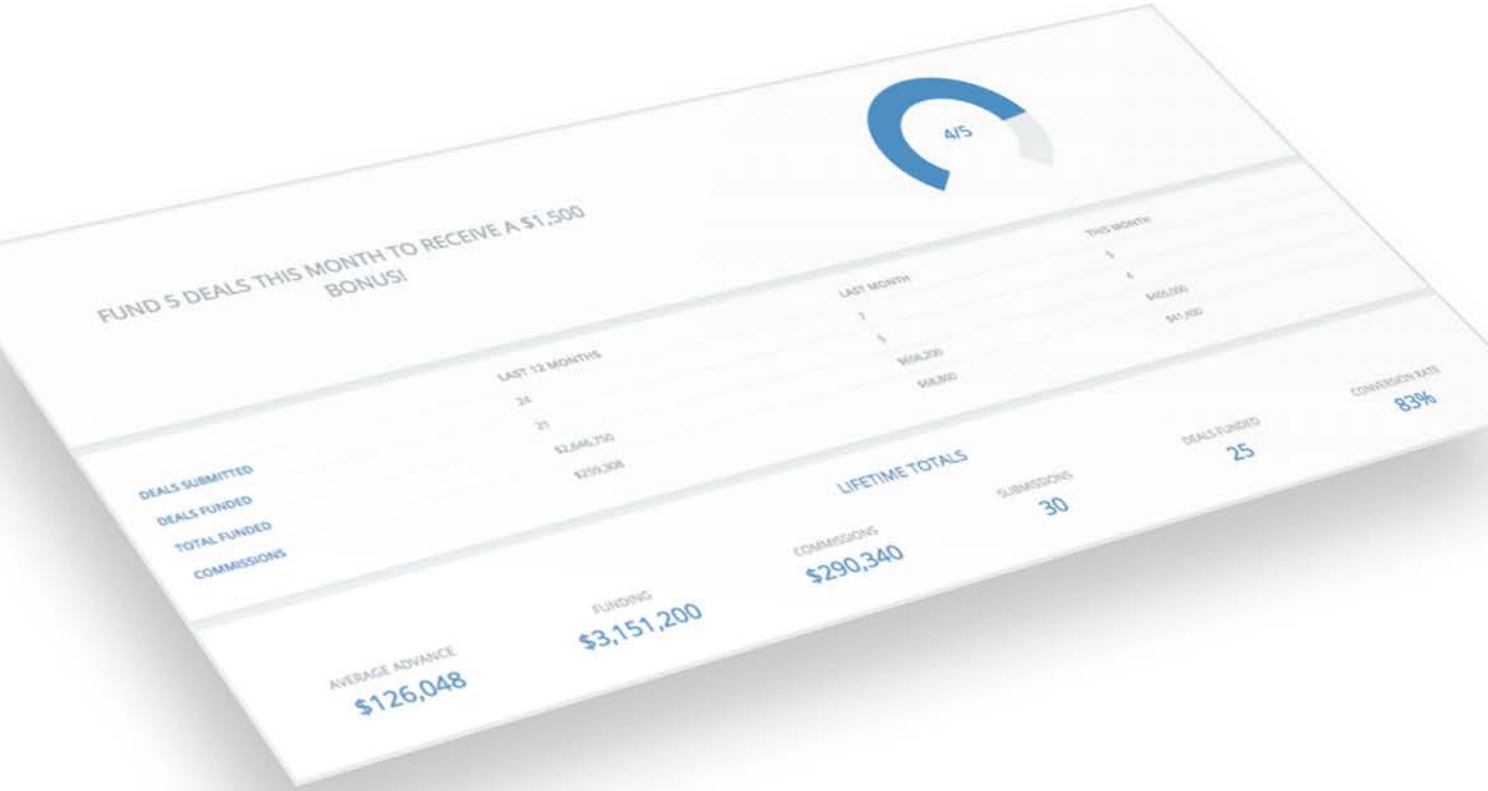

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Newtek	$21.11	$18.06	–14.45%
Elevate Credit	$4.16	$2.28	–45.19%
Ready Capital	$16.48	$8.01	–51.40%
IOU Financial	$0.19	$0.09	–52.63%
LendingClub	$13.17	$5.44	–58.69%
OnDeck	$4.05	$1.10	–72.84%

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Looking Back In Time At **Industry Threads**

"Anyone hear of On Deck Capital alternative business loan?"

7/23/2008
They are not a cash advance company, yet they advance funds based on the business's overall performance. It seems like an interesting concept and I'm wondering if anyone here had any experience with them or feedback?

"Where is the Money?"

8/26/2009
I am new to this business and really still taking a closer look at it to see if there is significant income potential to be made here. Recently someone approached me about selling a form of merchant cash advances and he told me that he made 9k in his first 3 weeks in the business. But now I find out that he was a complete liar and was just hoping to benefit from overrides for recruiting me. Nonetheless, now I am looking into this business further to see if there is serious money to be made here or not. I have significant financial sales experience and have made 300k+ per year in the past as an account executive for a mortgage company.

Any suggestions or experiences that you can share? What is the realistic income potential for someone just starting out?

"Housing Market Crisis & Merchant Cash Advance Industry"

8/25/2008
How bad is this affecting everyone? I read that in California alone, Lenders have foreclosed on $100 Billion worth of homes in the state over the past two years and they are now repossessing some 1,300 homes each business day… that's pretty alarming and one can deduce a lot of business owners are having sales affected by this as more consumers spend less and unemployment rates go up. A lot of applicants with late mortgages and foreclosures have to be showing up to every MCA company…

INDUSTRY *NEWS*

4/17/20 –Lendio announced that it had facilitated $5.7B in PPP funding for more than 70,000 small businesses

–The FTC sued defendants behind a website called sbaloanprogram.com for allegedly misleading borrowers over its affiliation with the SBA

4/20/20 –Facing government and public pressure, Shake Shack agreed to return its $10 million PPP loan

–Progressive Leasing agreed to pay $175 million in its settlement with the FTC over accusations it had misled consumers about the true price of items purchased through its plans in tens of thousands of retail stores nationwide

4/21/20 –SoFi acquired a Hong Kong-based investing app called 8 Securities. The acquired company will be called SoFi Hong Kong

–LendingClub announced that it would be shedding 460 employees in response to the health and economic crisis. Executive salaries were also substantially reduced

–Ocrolus and FormFree announced a partnership to give lenders "high-confidence validation of paystubs submitted by borrowers in PDF or photo formats."

4/23/20–A record-breaking 4.4 million Americans filed for unemployment in a single week

–Following Shake Shack's lead, Sweetgreen agreed to return its $10 million PPP loan

–Lendio announced a strategic relationship with Jack Henry & Associates to provide the payment processing solution company with a white-labeled loan application and document-gathering infrastructure

–Lendistry, a minority-owned and technology-enabled small business and commercial real estate lender, announced it had secured a financing facility from Goldman Sachs to fund PPP loans. The deal was done through Goldman's 10,000 Small Businesses initiative

4/24/20 –The State of Georgia terminated the majority of its shutdown orders and permitted businesses like hair salons, gyms, and bowling alleys to reopen

4/27/20 –Reliant Funding partnered with Cross River Bank to facilitate PPP loans

–It was revealed that the Los Angeles Lakers received $4.6M in PPP funding. Under public pressure, they returned it

4/28/20 –Lendio partnered with Mindbody to expedite relief to the wellness company's customers

–Deloitte & Touche was sued in California by investors in the collapsed Direct Lending Income Fund on claims that it negligently ratified the financial statements

4/29/20 –Fundry, a small business funding provider headquartered in Jersey City, donated $25,000 to Community FoodBank of New Jersey

–The Federal Reserve decided to keep its benchmark interest rate unchanged at near-zero

4/30/20 –An additional 3.8 million Americans filed for unemployment in the week following the all-time record of 4.4 million

–Ocrolus added 3 new members to its senior technical leadership: Pieter Nel as CTO, David Snitkof as VP of Analytics, and Douglas Melchior as VP of Product

–OnDeck suspended funding of its core loans and lines of credit, reported a Q1 net loss of $59M, furloughed a large number of employees, and announced pay cuts for senior executives

5/1/20 –Several states started to reopen businesses and end large swaths of their shutdown orders

5/4/20 –J. Crew, the US national retailer, filed for chapter 11

–An OnDeck shareholder, Voce Capital Management LLC, publicly voiced its opinion that the company was going in the wrong direction and that its directors should be replaced

–Robinhood closed on a $280M Series F round at a $8.3B valuation

–BFS Capital named Joanna Karger as CFO. Karger is the former Funding Circle US head of capital markets

5/5/20 –The Department of Justice filed its first ever PPP fraud charges. The defendants were charged in Rhode Island for allegedly seeking more than $500,000 in PPP funding under fraudulent pretenses

–LendingClub reported Q1 originations of $2.5B, down 8% year-over-year and a GAAP net loss of $48.1M, primarily driven by the impact and planned impact of COVID-19

–CAN Capital, a small business lender, settled charges with the SEC over the accusations that it misled investors in an offering that raised $191M. The SEC did not seek a judgment "in light of CAN Capital's current inability to meet its financial obligations as they become due."

–Berlin-based fintech company N26 raised $100M in a Series D at a valuation of $3.5B

5/6/20 –Ready Capital Corporation announced it had funded $1.2B of PPP loans

–Shopify announced a strong Q1. They issued $162.4M in MCAs and business loans and had a GAAP net loss of $31.4M on $470M in revenue

5/7/20 –Neiman Marcus filed for Chapter 11

–Another 3.17 million Americans filed for unemployment

5/11/20 –Rumors flew that small business lender OnDeck was for sale after Forbes published an article that said Evercore had been hired to shop them around in a fire sale

–OnDeck revealed that it had experienced its first early amortization event brought on by the COVID-19 crisis

–IOU Financial, a small business lender, was approved by the SBA and Treasury to provide PPP loans

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–Ready Capital Corporation said that it expected to generate at least $100 million in PPP fee income, some which would be shared with its partners

5/13/20–Goldman Sachs predicted that unemployment would peak at 25%

–The SBA offered safe harbor to any company that accepted less than $2M in PPP funds on the required certification that the company made its request in good faith

5/14/20–Another 3 million Americans filed for unemployment

–It was revealed that the Aspen Institute, a think tank backed by a board of billionaire trustees, accepted more than $8M in PPP funding

–Folio, a boutique wealth management custodian and tech company, announced that it was being acquired by Goldman Sachs

5/15/20–OnDeck revealed that it was neck-deep in creditor negotiations to arrange workouts and exceptions in order to stay afloat. At the time, the company had ceased lending and the share price had just closed at $1.10

5/17/20–It was revealed that Magic Johnson had gotten into the PPP loan business by way of his life insurance company, Johnson's EquiTrust Life Insurance Co., through a non-bank lender named MBE Capital Partners

5/19/20–Restaurant owners begged the federal government to extend the applicable PPP term beyond 8 weeks so that it could be used when their restaurants were actually open

–Brex, a company that sells a credit card tailored to startups, raised $150M in a Series C round

5/21/20–Another 2.4 million Americans filed for unemployment

–OCC Head Joseph Otting stepped down, making Brian P. Brooks the new Acting Comptroller. Brooks is the former Chief Legal Officer of Coinbase, the nation's "easiest place to buy, sell, and manage your cryptocurrency portfolio."

5/22/20–OnDeck announced to shareholders that it was still actively engaged in trying to arrange workouts with its creditors

–Overland Park, KS-based Strategic Capital published results of a survey that revealed only 36.8% of business loan brokers planned to return to their offices after cities fully opened back up

5/25/20–New York State ended its lawsuit shutdown order, permitting the filing of lawsuits to resume on an electronic basis

5/26/20 –Fundbox, a b2b payments company, announced an equity investment from MUFG Innovation Partners Co. Ltd. The terms and amount were not disclosed

–Lendified, a Canadian fintech company and small business lender, announced that its common shares had begun trading on the TSX Venture Exchange under the ticker LHI. The company went public via a reverse merger.

–Banks reported that demand for PPP funding had fizzled after the government had repeatedly flip-flopped on the terms and conditions, causing businesses to reconsider their desire for it

5/28/20–Curu, a fintech company focused on lender applicant retention, secured a $3M seed round led by Vestigo Ventures

–OnDeck announced that it was making headway in its negotiations with creditors but that there was still a ways to go

5/28/20–Marqeta secured $150M in funding at a $4B+ valuation

5/29/20 –CFG Merchant Solutions announced that it enhanced its partnership with Arena Investors LP and would service and provide liquidity to the Platinum Rapid Funding merchant portfolio

5/31/20–CFPB signaled that it still intends to move forward with implementing Section 1071 despite delays

6/1/20–A federal court ordered that properties once owned and operated by "Tiger King" Joe Exotic Maldonado-Passage be turned over to his arch-nemesis Carol Baskin

6/4/20–Another 1.88M Americans filed for unemployment

6/5/20–Despite the jaw-dropping weekly unemployment claims, its reported that many of those previously calculated as unemployed had returned to the workforce, putting total unemployment at about 13.3% nationwide

–OnDeck announced that its lingering low share price (< $1.00) had resulted in receiving a delisting warning from the NYSE. It has until Jan 1, 2021, to get the price over $1 on a consistent basis

–Washington DC's Attorney General sued consumer lender Elevate over its allegedly deceptive high cost products

6/8/20–Lemonade, an Insurtech company, filed for an IPO with the intention of raising $100M

–Economists reported that the US officially entered a recession in February

6/9/20–Cross River Bank, a fintech bank based in New Jersey, announced it had made 105,000 PPP loans at an average loan size of less than $44,000

–New York's Department of Financial Services launched FastForward, an initiative to partner with interested tech companies to promote small business recovery, better healthcare solutions, and household financial planning

–The New York State Attorney General announced that she had successfully won a lawsuit against Northern Leasing Systems and several affiliated companies that resulted in 30,000 default judgments being vacated

6/10/20–Amazon revealed that Goldman Sachs would be its new backer of its seller financing program for US based merchants

–The Federal Trade Commission sued RCG Advances f/k/a Richmond Capital Group, LLC and related parties over its allegedly deceptive small business finance business

–The New York State Attorney General filed civil charges against several of the same parties in the above-named FTC suit

–Kabbage hit a rapid amortization event on a $900M securitization

6/11/20–The Commercial Finance Coalition applauded the FTC and NY AG over its recent suits against an alleged bad acting small business finance company

–Broker Fair 2020 Virtual successfully hosted its event, the first event ever of its kind. The in-person version of Broker Fair has been postponed to March 22, 2021

6/17/20–Upgrade, led by former LendingClub founder Renaud Laplanche, raised $40M in a Series D round at a $1B valuation

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