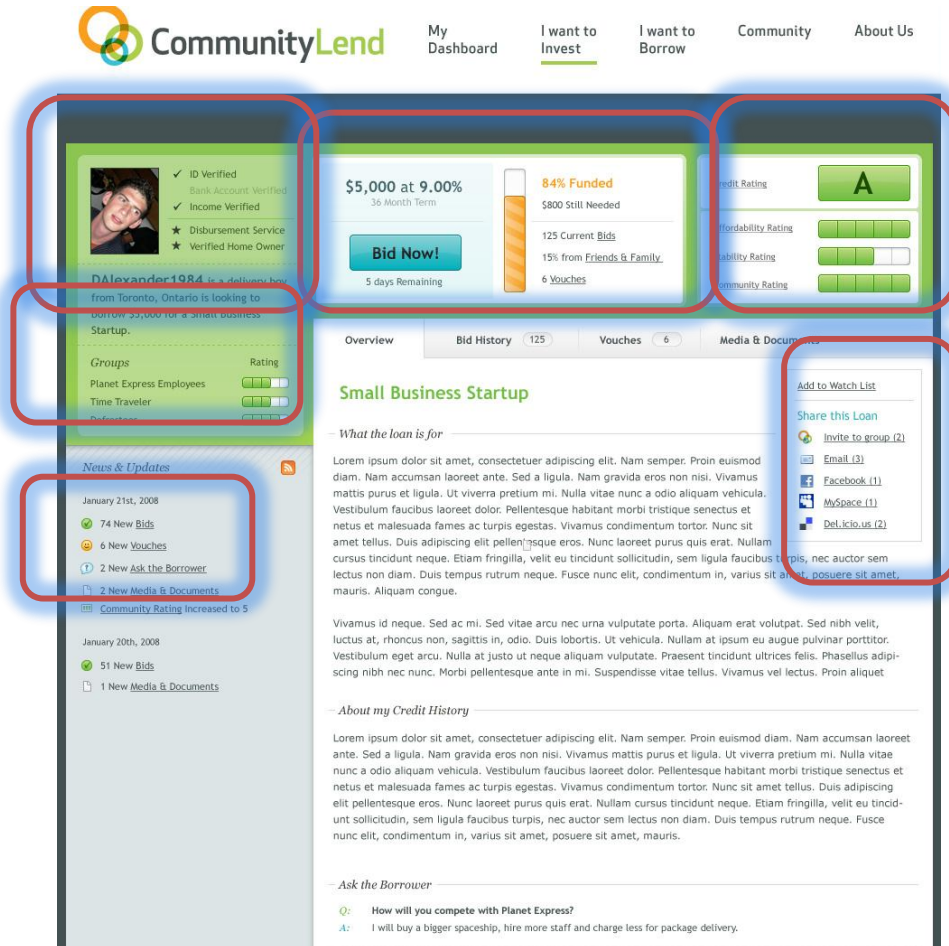




The CommunityLend Story

Once upon a time there was a great idea ...

- Canada's first online loan auction - matching Borrowers to Lenders through online loan auctions
- Also Called Peer to Peer Lending
- Employs Bank-level Credit Processes
 - ID Verification, Credit Assessment and Categorization, Funds Transfer and Collections.
- Includes a Proprietary Reputation System
 - Including "Social Capital" indicators.
- Built around a Social Network Framework
 - Social Network marketing model and cost efficiency



The screenshot displays the CommunityLend website interface. At the top, the navigation menu includes 'My Dashboard', 'I want to Invest', 'I want to Borrow', 'Community', and 'About Us'. The main content area features a loan listing for 'Small Business Startup' with the following details:

- Loan Details:** \$5,000 at 9.00% (36 Month Term), 84% Funded, \$800 Still Needed, 125 Current Bids, 15% from Friends & Family, 6 Vouches, 5 days Remaining.
- Borrower Profile:** DAlexander1984, ID Verified, Bank Account Verified, Income Verified, Disbursement Service, Verified Home Owner.
- Groups and Ratings:** Planet Express Employees (Rating: 4/5), Time Traveler (Rating: 4/5).
- News & Updates:** January 21st, 2008: 74 New Bids, 6 New Vouches, 2 New Ask the Borrower, 2 New Media & Documents. January 20th, 2008: 51 New Bids, 1 New Media & Documents.
- Community Rating:** A (Credit Rating), 5/5 (Borrowability Rating), 5/5 (Liquidity Rating), 5/5 (Community Rating).
- Share this Loan:** Options for Email (3), Facebook (1), MySpace (1), and Del.icio.us (2).
- Ask the Borrower:** A question: 'How will you compete with Planet Express?' with an answer: 'I will buy a bigger spaceship, hire more staff and charge less for package delivery.'

Lucky enough to raise capital in a tough venture market ...



I want
to Borrow

I want
to Lend

Community

News &
Blog

About
Us

In The News

Press Releases

Blog

CommunityLend Announces \$2.5-Million Round of Funding

2007-12-14

Toronto, Ontario

Toronto-based CommunityLend announced today that it has secured a \$2.5-million Series-A round of venture capital. CommunityLend is a unique social lending service launching in Canada in mid-2008. CommunityLend will join the social-banking revolution currently underway around the World. Gartner has forecasted that by 2010, social-banking platforms will have captured 10% of the available worldwide market for retail lending and financial planning.

The funding comes from a variety of international sources including 40% from a financial institution out of the United Kingdom, approximately 25% from angel investors based out of the United States and 35% out of Canada.

All press inquiries can be sent via email to Colin Henderson (CTO) at colin@communitylend.com.

But then got caught in the weeds ...

Regulators force Canadian P2P lender IOU Central to suspend activity

Over the past five or so years, the Internet has radically changed the way we interact with content, to music, to travel) function. Central to this wave of change is the shift from traditional institutions to consumers. The financial industry is one of the last bastions of old models still reign supreme.

But that's changing.

Sites like [SmartHippo](#) empower consumers with tools and the information that they previously did not have access to. Peer to peer (P2P) lending is a new model of lending. Lending is becoming more of a social activity.

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SEC Outlines Its Reasoning For Shutting Down P2P Lender Prosper

Companies Countries Financial Innovation P2P Lending News

Loanio to Shut Down Operations

April 20th, 2011 - 0 comments - Filed Under - by John Chappell

[+1](#) 0 [Tweet](#) 1 [Like](#) [Sign Up to see what your friends like.](#)

Loanio, a U.S.-based peer to peer lending company that launched in October 2008, is shutting down its operations.



The news, first reported by Peter Renton of [SocialLending.Net](#), comes at a time when its two U.S. competitors, Prosper.com and [Lending Club](#), are seeing significant growth. There was significant excitement in the peer to peer lending community when the service first launched, but the momentum did not last.

Loanio launched just two weeks before Prosper.com received a cease and desist letter from the Securities and Exchange Commission. The SEC accused [Prosper.com](#) of selling unregistered securities and set a legal precedent that peer to peer loans would need to be registered securities if they were going to pass regulatory muster. Eventually, Prosper.com did settle with the SEC and Loanio founder Michael Solomon

Wednesday, November 26th, 2008

Comments

Prosper stopped all new lending on its website. Prosper agreed to register under the new rules in the next few months.



Prosper received a cease-and-desist letter (embedded below or download [PDF](#)), forcing Prosper to register as a seller of investment, something Prosper had argued that it was merely a marketplace matching lenders and borrowers of that type.

Loanio, a new entrant into the P2P market, has suspended new loans until it registers with the SEC.

And then raised more capital (this time a little messier)

CommunityLend blog

Starting the conversation about P2P Lending in Canada

CommunityLend raises \$1.5M to scale operations

with 5 comments

We are pleased to announce that CommunityLend Holdings Inc. (CLH) has closed a \$1.5M private placement from several individual angel investors and an institutional investment fund. [Wildlaw Capital Markets Inc.](#), an investment bank, acted as an agent for the round. The proceeds of this private placement will go to scaling up our loan origination, loan adjudication, and loan servicing operations.

This investment comes on the heels of a successful year since our launch as Canada's 1st (and only) online consumer loan marketplace by CommunityLend Inc. Monthly loan volume has more than doubled each of the last 3 months and we are projecting this pace of growth to continue throughout 2011.

In recent months, CLH has attracted several major partners which are contributing to our exponential growth in loan volume. CLH has signed several strategic channel partnerships recently, including one with Canada's \$6B used car marketplace [AutoTrader.ca](#), announced in December. We have also partnered with over 30 home renovation companies through our subsidiary [Financelt.ca](#) to provide sales financing to that \$30B industry. In the few months since launch, we have aligned Financelt.ca with [HomeStars](#) and [StrengthFinance](#) to serve more home improvement companies.

On the lender capital side, CommunityLend has recently welcomed a new institutional lender into a multi-million dollar pilot and continues to support our individual approved accredited investors.

Thanks to our investors, partners, lenders, and borrowers as we continue our mission to "change the rules of lending" for Canadians.

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[Lending Club Passes the](#)

Who then had the burden of “Market Reality” ...

How it Works Fees Rates FAQ Glossary Resources Forum Sign In or Join Now



Charging the Rules of Lending

I want to Borrow | I want to Lend | Community | News & Blog | About Us

CommunityLend helps Borrowers get better rates by turning personal loans into Investment Opportunities

Borrow

Borrow at rates from:

6.63%^{APR}

[Learn More](#)

[Start Borrowing](#)

Invest

Invest in Loans from:

6-29%

[Learn More](#)

[Start Lending](#)

Connect

Getting Community's Involved in Lending.

Get better rates by uniting together.

[Learn More](#)

[Communities](#)

Active Loan Requests

Debt Consolidation (\$15,000 @ 15.00%) paying off a balance (\$5,000 @ 23.00%) 7000 (\$7,000 @ 10.75%) [View Loans](#)

How it works:



In the news:

THE WALL STREET JOURNAL

THE GLOBE AND MAIL

INVESTMENT EXECUTIVE
CANADA'S NEWSPAPER FOR FINANCIAL ADVISORS

FINANCIAL POST

[View More News Stories About Us](#)

Our Growing Community:



CommunityLend is currently available to residents of British Columbia, Ontario and Quebec

Who We Are

- Management Team
- Board of Directors
- Board of Advisors
- Investors

Cumulative statistics: **

- Loan demand: \$29,134,000
- Loan Requests accepted: \$1,896,200
- Average Loan Size: \$8,732
- Average Interest Rate: 15.5%
- Members: 5,779

From Our Blog

- Congratulations to Prosper on new capital raise
June 8, 2011
- Lending Club Passes the Quarter-Billion Dollar Mark in Personal Loan Originations
May 5, 2011
- CommunityLend raises \$1.5M to scale operations
March 2, 2011

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Social networking:

[Follow us on Facebook](#)

[Follow us on Twitter](#)

[Like us on LinkedIn](#)

222 Mca. Sign Up to see what your friends Mc.

But were smart enough to Pivot early ...

FinanceIt.ca is CommunityLend's market leading Sales Finance Platform which powers Canadian retail businesses to offer a financing at point of sale.

- Key Features

- Over 500 enrolled vendors and growing at 80 new vendors a month
- Instant online approvals of consumer applications at point of sale
- Full online loan workflow Management which can be accessed on multiple devices
- Highly flexible subvention programs
- Very competitive interest rates



The screenshot shows the FinanceIt.ca website interface. At the top, there is a navigation bar with the logo and a 'Log In or Apply Now' link. Below the navigation bar is a main banner with the text 'Sales Financing Solutions for your Business' and 'Increase sales with instant approval of home improvement loans.' A prominent yellow button says 'Apply to be a Partner'. The main content area is divided into several sections:

- Competitive Rates:** Interest rates as low as 8.9% (0.05% APR), half the rate of a typical credit card.
- No Fees:** FinanceIt.ca is free to use, do not pay any fees as a Partner.
- Instant Pre-Approval:** Provide your customers with instant pre-approval at point of sale.
- Flexible Terms:** \$0 down, 3- or 5-year terms with equal monthly payments and no pre-payment penalties.
- Safe & Secure:** Audited infrastructure with 256-bit encryption.
- Customer Support:** Product training and dedicated account management included.

There are also sections for 'Canadian Consumer Credit' (with a pie chart showing 50.51% of Canadian consumers finance \$1 cents for every \$1 spent on home renovations), 'Why Offer Financing?' (listing benefits like increased sales and differentiated competition), and 'Online Features' (listing automated ID verification and dashboard view of loan applications). At the bottom, there is a 'Media Coverage' section with logos for various news outlets and an 'About the Company' section.

Key Lessons

- Don't get wedded to a “great idea”
- It's not easy to raise capital but it is possible
- This is going to be REALLY hard
- Even when you are down on your knees, keep swinging
- Build your business around the center of the bell curve, not the edges

