



PODCAST TRANSCRIPTION SESSION NO. 224 - SAM GRAZIANO

Welcome to the Lend Academy Podcast, Episode No. 224, this is your host, Peter Renton, Founder of Lend Academy and Co-Founder of the LendIt Fintech Conference.

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Today's episode is sponsored by LendIt Fintech USA, the world's largest fintech event dedicated to lending and digital banking. It's happening on May 13th and 14th, 2020, at the Javits Center in New York. Lending and banking are converging, and LendIt Fintech immerses you in the most important trends of the day. Meet the people who matter, learn from the experts and get business done. LendIt Fintech, lending and banking connected. Go to lendit.com/usa to register.

Peter Renton: Today on the show, I am delighted to welcome Sam Graziano, he is the CEO and Co-Founder of Fundation. Now, Fundation has been around for many years, in fact, Sam was one of the speakers at the very first LendIt back in 2013, so he is somewhat of a pioneer in this space. I wanted to get Sam on the show to really talk about the small business lending space and how it's changing, how his company has evolved.

They've pivoted a couple of times really from the way they first approached the space, and we talk about how they're approaching bank partnerships. They're one of the leading companies now providing white label solutions for banks in the small business space. We talk about the future of small business lending, we talk about.....he provides his thoughts on Amazon, Square, and PayPal, and much more. It was a fascinating interview, I hope you enjoy the show.

Welcome to the podcast Sam!

Sam Graziano: Thanks for having me, Peter.

Peter: My pleasure. I'd like to get this thing started by giving the listeners some background about yourself, I know you've been doing Fundation for some time now, but maybe tell us sort of what your career background is.

Sam: Sure thing. So I actually spent about ten years on Wall Street, before starting Fundation, in a couple of different capacities. First, as an investment banker doing M&A, corporate finance for an array of different financial services companies in banking, lending, asset management, etc., and I got to sort of spend some time in that thing, doing some private equity work as well at one of my private prior firms that I was with. So, my whole career before Fundation was oriented around financial services companies across a bunch of the different verticals within financial services. So, you know, it was a pretty deep springboard for me to just go ahead and start Fundation.



Peter: Okay, so then what was the idea....did you have like an aha moment, or what was the driving force behind starting Foundation?

Sam: Yeah. So, actually, I started the company with a Co-Founder of mine, his name is Doug Gordon. He and I went to the same alma mater which was Bucknell University, me being many years ahead of him, met him at an alumni event, you know, he was talking about an idea oriented around crowd funding business loans. That was many years ago, so at that time the only sort of comparison was really Lending Club and Prosper which you, obviously, know those stories extremely well, to state the obvious.

I started following those companies at that time when I was a banker and I thought it was interesting, you know, what they were doing around bringing consumer loans online and sort of dividing them up in a neat syndication process, and I hadn't seen anything like that being done in small business lending. So, I decided to start to work with him to help develop a thesis. You know, ultimately, the thesis became.....you know, we felt small business lending was underserved and I think that was in large part driven by what the media was saying, what you can read from SBA, white papers, etc. etc., but the format we decided to try and initially build the business was not a true peer-to-peer format.

We have started like trying to just bring institutional capital to a platform because we sort of have the theory, from my experience, having worked with asset management companies and just sort of really scale capital supply. It was going to need to be institutional, I sort of felt the retail component wasn't necessary, it's really the core value prop of the business was going to be bringing a better suite of products to the market, you know, that good, be something better than just what we call the daily pay products around the market at that time, and serve the businesses that weren't being served well and I guess what's come to be known as a marketplace platform approach, but using predominantly institutional capital. But the story has changed dramatically since then and I'm sure that's where we'll spend a fair amount of time on today.

Peter: Yes, sure. So, maybe we can just get right into sort of the evolution of Foundation. You know, you started off obviously doing this direct to small businesses online, why don't you tell us a little bit how that's evolved and how your business evolved. I know we're going to talk about bank partnerships quite a bit in this conversation, when did you first start that.....thinking about being kind of the engine for banks to do this. Just tell us about the evolution.

Sam: Sure. The most fundamental point is we're actually not in the direct marketing business at all today. You know, that was one of the cornerstones of how we got started which was we thought, you know, we were going to use various direct to customer marketing techniques, whether that was mail, digital, or otherwise, to drive people to our website and to provide them with a loan. We thought that would be a good business model and we, at least, made the determination that that wasn't going to be the way we were going to be able to succeed.



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I think what we had found was the sort of quality of the customer population that we were able to drive, or that we even thought we would ever be able to drive to our site was not going to fit very well with the sort of the type of products that we were looking to bring to market which was something in between where banks play in terms of term, in terms of cost and sort of where some of the well known companies in our space play in terms of term cost, etc. and sort of structure of these products. And, I think, those models can work very well, you know, ifand I think there has been some scenarios where it does work very well for folks that have a wider buyboxs and then we dared and it's where we had started.

And so, at the start of our journey I was thinking like, okay, well, this doesn't seem like it's going to work so well for us, at least, you know, what's the right approach and we really started to think about origination channels. What we realized and I think what a lot of the industry across consumer, small business do realize is that one of the cornerstones of value creation in the market is your acquisition channels and direct is one. You can do that very well and develop a brand and that takes a lot of time and money, you know, that is one that can be very successful.

I do think there are some challenge to that one, long term which we can get you in a minute, and there are others which are, you know, things like what GreenSky has done which was develop your own dealer network and there's a rise in variations of how to develop channels. We decided to take sort of more of an indirect approach which is through partnerships and that was sort of our first meaningful pivot which was around the acquisition channels that we were going to focus on.

The next meaningful pivot, which we will get to in a minute, is us as a solutions provider, providing our platform as a service to banks. So, we started on the path of, you know, developing channels that were not direct oriented. We do still work with brokers today to some degree, some of the marketplaces out there, but we developed some recently successful Point of Sale programs, we started working with banks actually as a referral channel.

In the recent years, we've started to focus on companies that we think will have dominant mindshare with customers and/or sort of be able to provide some form of capital to time of need, or time of purchase. That was sort of the first pivot for us as a business. Maybe I can just stop there, see if you have any questions before we get into the next pivot.

Peter: Yeah, yeah, sure. So, I'm curious about.....maybe you could give us an example of some of the partnerships that you've got. These are partners driving to.....this is almost like, I presume, acquisition channels because on your website, obviously, you still have Apply Now predominantly as a button on the top right of your home page, so you're still getting customers going, flowing through directly with Foundation. It's just that, I'm guessing, that they're coming through these partners, maybe tell us like the Point of Sale one, or just give some examples of those.

Sam: Yeah, sure. So maybe I'll just sort of talk about them categorically as opposed to specifically because, obviously, I want to keep some things close to the chest, but, yeah, we do



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have an Apply Now button on our website. In fact, we debated recently taking it off because, you know, we don't invest in it, we need the traffic that's showing up is purely organic, or word-of-mouth and it's such a small piece of what we do that it's just sort of there as a matter of convenience, I guess, for customers that do show up, but we're not trying to drive anybody there, and so there are two different categories.

First is actually banks, we work with banks in a few different ways. You know, one, which is those that we offer a white labeled origination solution to help them originate for their own account, but what we do with those relationships is actually what we call Second Look which is.....the first service we provide is allowing that bank to originate their products in their name, you know, at their co-structure and then on-boarding it into their systems, but using us as an origination capability through their channels.

The second service we provide to those same institutions is a Second Look which is to say, hey, if we said no to that customer, could Fundation have said yes. If the answer is yes, we give them a Fundation line of credit, or loan and that becomes an acquisition channel for our own balance sheet, on top of it being a services business that we've got.

We also have banks.....last year, our first bank partnership was with Regions Bank back in 2015 and that was not a private labeled platform solution, it was purely just an integrated referral program. Today and since then, every customer that opts in to a Second Look that comes to their retail network, or their business bankers and is declined by the bank systematically comes into our system every night, as well as customers that come to their website, you know, where the bank really hasn't invested in their own online lending capability, that comes right to us.

And so, that was actually our first bank partnership which was, again, not a fee-for-service platform solution, it was an integrated sort of partnership around serving their customers that they were unable to, or were willing to serve on their own and that continues to be a pretty successful relationship for us and a good one, and it's been in place for almost four years now.

We've also got banks that actually refer us to all of their customers below a certain amount, so we, you know, publicized the relationship with a bank called Provident Bank in New Jersey which is about a \$10 Million bank and they're a very good commercial bank, but really don't have a capability, or necessarily, at the moment, necessarily care to of their own that they've manufactured to provide loans below \$250,000. And so, all those customers that come to the bank seeking that kind of product, they just refer them directly to us where we give them a Fundation loan or line of credit, So, we work with the bank in a whole different bunch of ways and so those are sort of a few categories there.

We've also, as I mentioned, got some purchase finance, or Point of Sale programs. You know, we don't really talk about them too much, I probably won't go into too much detail here today on the podcast because we feel like we've developed some niches there that we think are really rewarding for us in terms of the customer profile, the risk adjusted return of those opportunities,



but, you know, they're very different from what another firm might be doing in the consumer space, you know, or what a fun box is...what it looks like in the B2B space.

It's not e-commerce driven, right, it's more sort of by appointment through companies that are providing a good, or a service, or a product of some kind to its SME and where a term loan, or a line of credit could help make that sale more likely, or more efficient.

Peter: Right.

Sam: And that's been pretty successful for us and is a.....probably a quarter of what we do in terms of putting assets on our own balance sheet. And then, we've been working with some of the marketplaces for a long time that are very well known in the SME space. We do have a small network of commercial loan brokers that we work with, you know, in recent years.

We really started to try and make a push into integrating our platform withlets just call them payment and/or other digital platforms that have SMEs that may need capital to facilitate a purchase, you know, and/or those institutions just have let's say dominant mind share with SMEs and so I know....I think one of the things you wanted to talk about later on was this idea of just in time capital, or capital whenever needed for SMEs. We are a believer in that concept.

Give you an example, just in terms of a company that we publicized our relationship with which is a young company at this point, but, you know, we've got some high hopes for. It's called Tango Trade and what Tango Trade does is they provide an escrow service to allow a US importer who is buying goods, or equipment from a foreign supplier to use a sort of escrow service provided by Tango Trade.

And so what do we do? We provide the funds that would go into that escrow account, right, and thereafter essentially be financing to facilitate that purchase by the US importer from that foreign supplier. So, it's sort of a variation of a Point of Sale type of a situation.....

Peter: Right, got it.

Sam:and, you know, there are a lot of different scenarios like that. There are platforms that do all different types of things and I am a big believer in the convergence of payments and credit in a variety of different ways and that's an example of one that we're doing. So, maybe just stop there and see what.....

Peter: Yes, yes. So, these different companies you're working with here, do you treat each one individually? I'm actually looking right now at the page on Regions, send some of these loans to you, obviously, I'm not a Regions customer and I just went through their website. There's a page on foundation.com, but it's specifically created for Regions, is that how you do it? So, with every single partner you have, you just create a specific page on your website and they all go through, I imagine, a similar engine on the backend?

Sam: Actually, no.



Peter: Okay.

Sam: But, it's a great question. So, we've tried to build our platform in a way where we can accommodate the customer use case based on how the partner wants us to interact with that customer, right. So, that could be a situation like Regions where if you go to regions.com, it will basically drive you to a co-branded online application experience. You know, with our private label partners and to sort of state the obvious, we developed a customer interaction layer and our customer interface and a banker interface that is sort of built to their liking.

Now they're adopting many of the things we've done from one bank to another, but not always, and we'll configure it exactly to sort of how they want the platform and us to interact with their customers and/or their employees. But, if you start going into some of these.....this is called platform opportunities, or partnerships where we are providing our products on a sort of on-platform experience of a third party. We recently developed a whole suite of API's that basically allow a third party partner to manage the entirety of the customer experience on their platform, both from application to sort of underwriting process, to booking in their app there, even initiating draws on lines of credit through their platform.

We did that because, again, I am a believer and the rest of us here at Foundation are also believers that various types of platforms, whether they be payments platforms, or otherwise, you know, we're going to have a lot eyeballs from SMEs in the future and have some pretty good mind share with those SMEs and introducing credit in various customer scenarios will make a lot of sense and build one that controls the customer experience. So, we need to give them API's to be able to do that as opposed to having to force them into our platform, if you will.

Peter: Okay, okay, that makes sense. So, maybe just real quick, step back and talk about the types of loans. You mentioned term loans, lines of credit, is this sub-500,000, just tell us a little bit of the range of amounts, interest rates, that sort of thing.

Sam: Sure, and I'll distinguish for a second between what's on our balance sheet versus what we're helping our bank clients originate. So, what ends up in our balance sheet is either term loan, so, you know, a fixed-rate installment loan which is very similar to how a traditional marketplace loan might look like, if you will, which is risk-based price, terms of one year to five years, but for us an average of around 27 months on origination and sort of an average of, I think, around \$55,000 to \$60,000 of origination with APR sort of in the mid-high teens on average.

Then we've got a line of credit product, our line of credit products is, by far, the highest growth product we've had since launching it, which we launched in 2015 or 2016, I believe. It's been very high growth for us because of the channels that we operate in which, again.....I expect a fair amount of time the moment we get talking about the different types of bank relationships we have. You know, what we found there is the vast majority of the time customers that are pursuing credit from a bank, or looking for a line of credit, especially in the SME space, not necessarily in every category, but in the SME space, in particular.



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In the early days, when we only had a loan, we were having a tough time with conversion, until we launched that line product and since then, it's been a really successful product, in terms of driving conversion for customers coming to those channel. As we really got on our sea legs under us, with respect to managing credit risk for that product, you know, given it's an evergreen product, it doesn't have a maturity date. We functionally have to re-score the accounts every 90 days to sort of make sure we're getting ahead of any degradation of portfolio.

But, it's a great product, both to serve what I think most SMEs actually need, which is managing uneven cash flow, right, the differences between receivables and payables, right, inventory, all the different things that ...yes, some of them do end up getting a term loan, but I think when you look at the Fed study, the majority of customers want a line of credit of some sort. And so, it has been very successful for us and that's sort of our higher growth product today, it's about 40% of our portfolio and growing, you know, both given the channels that we operate in and just of sort of where customer demand is.

Peter: Right, right, okay. So, I want to move now to the banks, the bank partnerships. I know you've been signing up, I keep seeing new ones, it seems, on a regular basis where you've got new bank partners, or announcing. So, the first one, I think, I remember seeing, apart from the Regions which we've already talked about which is a little different...tell me about the white label product. I think the first one I saw was Citizens Bank, maybe you could talk us through that product and the types of banks you're working with there.

Sam: Sure. Yes, you're right, our version ofyou know, some of our competitors have come up with different brands, like OnDeck, I guess, call theirs ODX, as an example. We don't sort of brand ourselves any differently in the market for that today, although there is maybe an argument that we should be, we launched our first partnership with Citizens Bank in late 2017. Citizens, I think, is the 12th largest bank by total deposit in the US, their footprint is sort of northeast, New England into the mid-west, into Michigan, down into Pennsylvania, and I think they're about a \$150 Billion institution.

So, that was our first relationship like that and our second, which we publicized, is Bank of the West, which is a subsidiary of BNP Paribas which we have launched earlier this year, January of this year. Eminently, I think, it's next week, launching our next which is a top ten institution and then we've got two more top 50 banks. Surely, behind that, all of which will be live and up and running no later than February of this coming year.

So, we'll have five of the top 50 and we've got a great pipeline behind that of doing this, and just to sort of hit on your key question of what we're actually doing, these institutions are, essentially, or they are...excuse me for using the word essentially, they are outsourcing the credit delivery function for certain...of their SME credit products suite to us and we perform that service for them in a private label basis where we will do the application ingestion which will be suited to the channel.



So, we'll give their dot com and online application experience for customers that self-serve, then we also offer the capability through their retail networks as well as their business bankers to the extent the bank has a business banking team to do sort of the application ingestion. We will then do all the decisioning, so we will be hosting the bank's credit policy on our platform, we will do what we call BPO work, which is basically white labeled manpower to actually deal with customers to either complete applications, or to do the underwriting, to do the sort of loan closing work. And then, we hand the bank a product that they can onboard into their loan management, or loan offering systems and we do all the work from application ingestion through closing.

Now, we do that...again, they're not required to use the Foundation product, they are using their own product. We are purely providing the types, the capability, the digitized experience, all that stuff for them to more efficiently, more seamlessly originate their own products to their customer base through their channels. It, typically, starts with us doing that for unsecured loans and lines of credit and then banks being unsecured may mean like have security interest against the business with no specific collateral. And then, with both of those companies that I mentioned that we're live with, we're also doing their business credit cards as well as the mother of similar ancillary products.

And then, what we're doing now is we're starting to move into secure products as well, whether it be equipment secured, owner occupied commercial real estate and/or SBA express products....yeah, because our objective is to help these clients of ours modernize the way they deliver all their small business credit products to give customers and bankers that sort of really simplified, unified experience and to be able to do that across an array of different products to sort of help them modernize.

Peter: Right.

Sam: And so, that's what we do and, again, like I mentioned a while ago, one of the other things we also do with those relationships most often is, you know, also give them a Second Look which isthe primary thing that we're doing is trying to put assets on the books of the bank, but if the bank's credit policy says no and ours says yes, there's a chance to keep customers happy.

Peter: Right, right, got it. So then, is it fair to say the white label is focused just on the top 50 banks and sort of the second chance type program is for all the other banks? Is that sort of how you delineate it?

Sam: Well, I would say, you know, top 100 or so, I think what it comes down to is this, in order for us to implement a private labeled solution cost effectively for us, ourselves, and for the bank, there has to be the expectation that there is a meaningful volume to do, in terms of unit volume, right. And, you know, therefore, generally speaking, banks \$10 Billion or so and higher would generally fall in that category.



Now, what's interesting is not all banks are alike, right, like we've seen institutions that are on the smaller end of that scale, have the likelihood of driving up more volume than companies that are in the top 40 or so. You know, really, so it depends on what their historical orientation has been to small business. Do they, or do they not have a business line which is dedicated to small business, or not, right.

One of the things that is always bounced around the banking industry is where do small business fit in, is it within the consumer bank, is it within the commercial bank, or is it its own thing. You know, what we found is the companies that have the most success in small business is its own thing, but it may very well roll up into the consumer bank, or into the commercial bank.

But then, we've got, again, clients that say, hey, we're not ready, or interested yet in a private label solution, like we're really not looking to put these types of credit products on our balance sheet, but small business is very important to us because we've got a lot of deposit relationships in small business, so we want to keep these customers happy. And, therefore, that might be a situation where they decide to just refer those customers to us directly for loans, or maybe have a Second Look program, or something like that which isyou know, that type of arrangement might come into play.

Peter: Right, right, okay. So I'm curious then, when you're talking with these banks, especially the larger banks.....I imagine, if you launched in 2017, you started talking with Citizens a year, or two before that, is it easier to talk to banks today given that there's much more awareness now of fintech than there was maybe three, or four years ago?

Sam: Without question, yeah, and so for us and a couple of...I mean, one is, obviously, we've got a pretty good resume at this point in the industry and we've spent a lot of time at, you know, a lot of the different events where we've gotten to know a lot of the leadership teams in small business banking across the banking industry, so we're not like strangers when we're having conversations with those. They typically know who we are and that's been very helpful and our clients have been really good to us because they've been very happy with what we've done for them, you know. They've certainly been willing to talk to others on our behalf which goes a long way in the banking industry.

But, the other is, you know, yes, the idea of partnerships is out in the forefront, right, within the banking sector and in all incumbent financial services companies. I will go a little bit more simple which is I think that, you know, let's just call them incumbent financial service players have to become fintech themselves, right, and I think they are and the way they're getting there is different.

In some ways, you do see some companies successful changing their operating model to have what you would typically see in a fintech in terms of having in-house application development teams, product managers; product managers in the sense that we think about them as like what



should a technology do, and you're starting to see more of that adopting agile frameworks, in terms of the development that they do.

And, you know, again, it will depend on where the bank decides, or they want to develop that type of capability and to support which business lines. What we do, I think, is sort of give them that same capability over the same operating model, but through an outsourced arrangement which means we can give them the agility that they need to be able to compete in a sort of a modern digital era by virtue of the fact that they're relying on us as a technology platform provider that generally supports just that business line.

That business line can have a high degree of influence and control over what they want to do next and how fast they want to do it, as opposed to the old operating model which is, I've got to go back to the mother ship and say, hey, does the IT department have any resources for me now, or in the next year, right, there you're almost like a bargaining process. And, I think, the operating model is changing across the industry, both by virtue of the way, I think, banks are architecting their own internal teams, but also by working with companies like ours to sort of give them that capability and that agility, what they need.

Peter: Right, right, okay. So, I want to switch gears a little bit and talk about your thoughts on the big tech companies, PayPal, Huge, another slightly different target market, and, definitely, Square, as well, is also for much smaller business, but these companies, and Amazon also have their small business lending operation.....I mean, these are companies with massive customer bases, thoughts on how you compete with those companies. Are you concerned about them, what are your thoughts on that?

Sam: Yeah, I mean, some of them yes, and some of them no, in terms of being concerned. I think, while those are scary companies, companies across a lot of industries....you know, take a company like Amazon, for example, Amazon does not work for every small business, right, they only work with folks that sell on Amazon.

Anyway, going back to what we were talking about a little while ago, you know, I am sort of a believer in this concept of capital becoming more ubiquitous, and the idea being that the platforms that have a lot of data, a lot of transactional information on SMEs, or consumers, or just have mind share, or the best position to give credit in various forms and Amazon is a variation of that, but for folks that sell on Amazon.

What's interesting about Amazon is when you start to look at some of their history, when they try to do things that are very tangential to what they do, they haven't always had success, right. So, it's not like just because they're Amazon, they can necessarily compete in every ecosystem, but, certainly, where they've got the right eyeball, the right information at their disposal, they're going to be able to compete very well and extend a lot of credit to those customers.



Square, I think Square is an unbelievably impressive company and the reason I think they're so impressive is because of what I think is happening in small business. I know, Karen Mills has talked about this quite a bit, you know, this idea of the platforms that provide an array of different services to an SME to help them sort of do what they do better. I think what's happening in small business is more verticalized, right, because small business...it's not the largest asset class from a lending perspective, but it's pretty complicated because it's so diverse, I mean, so heterogeneous.

And, what you've seen in this market is in very specific sub-sectors, whether it's restaurants, or let's just call it contractors, what not, you've seen some of these vertical sort of software platforms emerge to solve the challenges of what it means to be a restaurant.

In restaurants as an example, take a company like Toast, or Square for restaurants, right, or Upserve, or Touch Bistro, right, what are these companies? They are.....I call them business management software platforms, basically they provide a Point of Sale capability so the POS system, they help restaurants with staffing, with their menus, with their online order intake, so they're building software that is specifically oriented around helping a restaurant be a restaurant.

You're seeing Square does the same thing for restaurants, they've done that for retail companies and there are sort of many Squares out there. So, I think what you're seeing, in a few of these verticals today and I think you'll probably see some more of them over time. The idea of verticalization happening because in order to solve the meaningful pain points for small business, in particular for some of them, their needs are very specialized and, therefore, the software that they use also has to be reasonably specialized as well

Peter: Right.

Sam: So, I think that's going to force banks to do, in particular, is to become platforms themselves, right. Historically, they are sort of enclosed loop which is the only product that a small business interacts with when they're logged into a bank mobile application is the bank's products. The banks often have referral programs with others, but they're not often fully integrated. I think you're going to see a paradigm shift in the future and not the distant future, in the near future where banks are going to become more open architecture, if you will.

Peter: Yeah, right, that's going to be super interesting. Anyway, we're pretty much out of time, but before I let you go, Sam, just one thing. Maybe you tell us, as look forward to 2020, what's on the horizon, what's next for Foundation?

Sam: Yeah, for us, we've got, like a said, a great pipeline of new clients that will be on-boarding into our white label origination platform solution so we look forward to publicizing those. We think sort of, you know, demonstrating that we're the clear leader in that market and we've got some really exciting things happening in the lending partnership space as well, going back to what I said, integrating with different folks to really provide a great, you know, sort of on platform experience for SMEs.



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So, for us, it's not any major paradigm shifts for us, we continuing to just go down the road that we've been on for a while and I think we are going to be able to get to a level scale for our business that will allow us to demonstrate we're one of the clear winners in the space for the long term.

Peter: Okay. Well, best of luck with that, Sam, you've got a fascinating company. Congratulations on the success you've had to date and thanks for coming on the show.

Sam: Thanks for having me, Peter.

Peter: Okay, see you.

One of the most interesting trends in small business today is this verticalization that we're seeing happening and we're creating these ecosystems around industry verticals. Sam touched on Toast which is in the restaurant space, there's Shopify doing e-commerce and there's MindBody Online in the wellness space, there's many, many others. These companies have tremendous insight into their customers and I think all of these platforms are going to offer small business lending at some point, if they don't already.

Many of the ones that I've mentioned do, but it's going to be companies like Foundation that can really provide sort of the technology to making all these happen because each vertical is different and you get a lot more homogeneity inside one vertical. They're easy to underwrite and think it just makes sense that these vertical plays are going to become more and more important to a small business.

Anyway on that note, I will sign off. I very much appreciate you listening and I'll catch you next time. Bye.

Today's episode was sponsored by LendIt Fintech USA, the world's largest fintech event dedicated to lending and digital banking. It's happening on May 13th and 14th, 2020, at the Javits Center in New York. Lending and banking are converging and LendIt Fintech immerses you in the most important trends of the day. Meet the people who matter, learn from the experts and get business done. LendIt Fintech, lending and banking connected. Go to lendit.com/usa to register.

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