



A Survey of 15 Marketplace Lenders' Online Presence

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Phoebe Rouge and Christina Yeung

Office of Technology Research and Investigation



Disclaimer

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Goal

- What do consumers experience when interacting with marketplace lenders online?
 - Where do consumers see various loan terms and conditions?
 - How do the lenders advertise?
 - What types of data do they initially request?
 - What types of tracking and analytics might be present when a consumer visits the site?

Methodology

- Identify subset of marketplace lender websites
- Analyze available information on advertising
- Visit each website, observing loan terms and conditions
- Enter information into forms, noting the information requested
- Use Chrome browser extension to quantify third-party tracking

Outline

- Identification of Online Marketplace Lenders
- Display of Loan Terms
 - Websites
 - Fees and loan issuers
 - Advertising
 - Traditional media
 - Web
 - Social media
- Data Collection
 - Third-party tracking
 - Data requested from consumers

Marketplace Lenders

- The specific meaning for “Marketplace Lending” is still evolving
 - Frequently used when discussing the industry
 - Not necessarily in common use by participants
- Online portals to inform and interact with consumers
 - Some now advertise more broadly (e.g. radio, print)
- Variety of business models
 - Alternative credit scoring and underwriting
 - Some peer-to-peer
 - “Connecting consumers with investors”

Marketplace Lenders

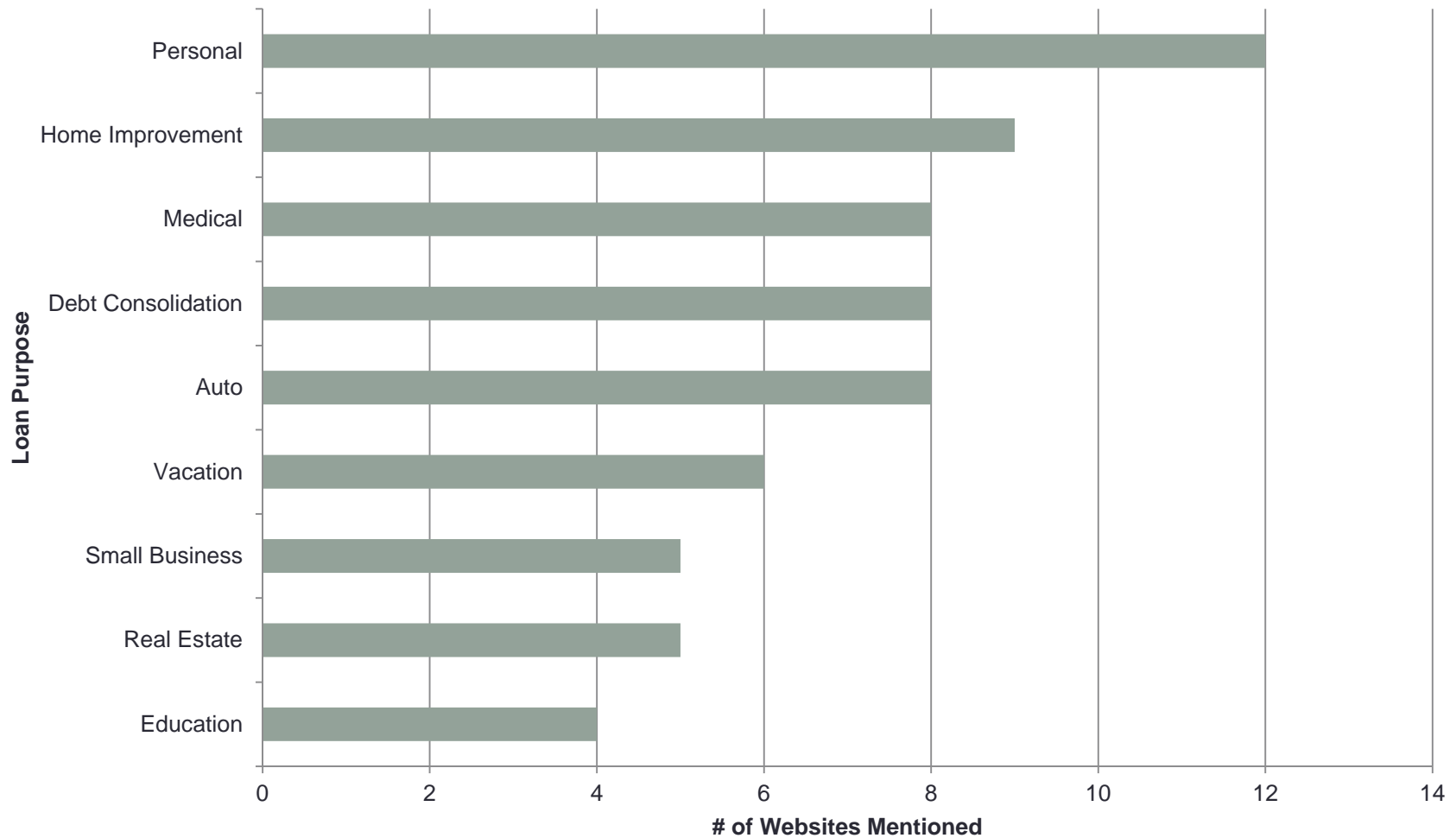
- Method for choosing lender websites:
 - Looked at several online lender aggregator sites
 - Orchard Platform, Foundation Capital, CreditKarma, AngelList, LendingRobot
 - Found companies common to several lists
 - Excluded companies that did not market personal loans to consumers
 - e.g. Kabbage markets only to SMBs
 - Several offered other loans in addition to personal
 - Chose the top 15 companies based on Alexa.com homepage ranking

Marketplace Lenders

Company Name	Alexa Rank (US)
Lending Club	1,243
Prosper	3,650
SoFi	4,500
Springleaf	5,483
Avant	8,383
LendUp	9,672
Affirm	11,683
Upstart	14,391
Earnest	15,350
loanDepot	23,075
Best Egg	31,284
Common Bond	33,141
NetCredit	37,503
Payoff	37,648
Peerform	41,757

Source: Alexa.com (April 11 2016)

“What is the purpose of the loan?”



Loan Terms

of clicks from the homepage we observed specific loan terms

Company	Min APR	Max APR	Minimum Loan Amount	Maximum Loan Amount	Fees	Type of Credit Check or Credit Impact	Loan Periods	Avg # of Clicks
A	0	0	0	0	2	0	0	0.286
B	0	0	0	0	2	0	0	0.286
C	0	1	0	0	0	1	1	0.429
D	0	0	0	0	2	0	3*	0.714
E	1	1	1	0	1	0	2	0.857
F	1	1	1	1	0	1	1	0.857
G	1	1	1	1	1	0	1	0.857
H	1	1	1	0	2	0	1	0.857
I	0	0	0	0	1	3*	3*	1.000
J	0	0	1	1	2	0	3*	1.000
K	0	3*	1	0	1	3*	0	1.143
L	1	1	1	1	1	2	1	1.143
M	1	1	1	1	1	3*	2	1.429
N	1	1	3*	3*	2	2	1	1.857
O	3*	3*	0	0	3*	3*	3*	2.143

A term may appear earlier, but this considers only where a term is explained in non-legalese and in all the detail we could find. For example, if the homepage lists “No hidden fees” but does not list what fees actually apply until 2 clicks in, that counts as a “2”. (*) If we did not observe the term within two clicks, we count that as a “3”.

Loan Terms

- Data appearing most frequently on homepage:
 - Minimum APR and Maximum Loan Amounts
- Three websites included APR or payment amounts that dynamically changed with user input
- Only one website mentioned explicit credit rating requirements
- Websites that did not mention within our two clicks:
 - Maximum APR: 2
 - Loan Periods: 4
 - Type of Credit Check / Possible Impact on Credit: 4

Fees and Loan Issuers

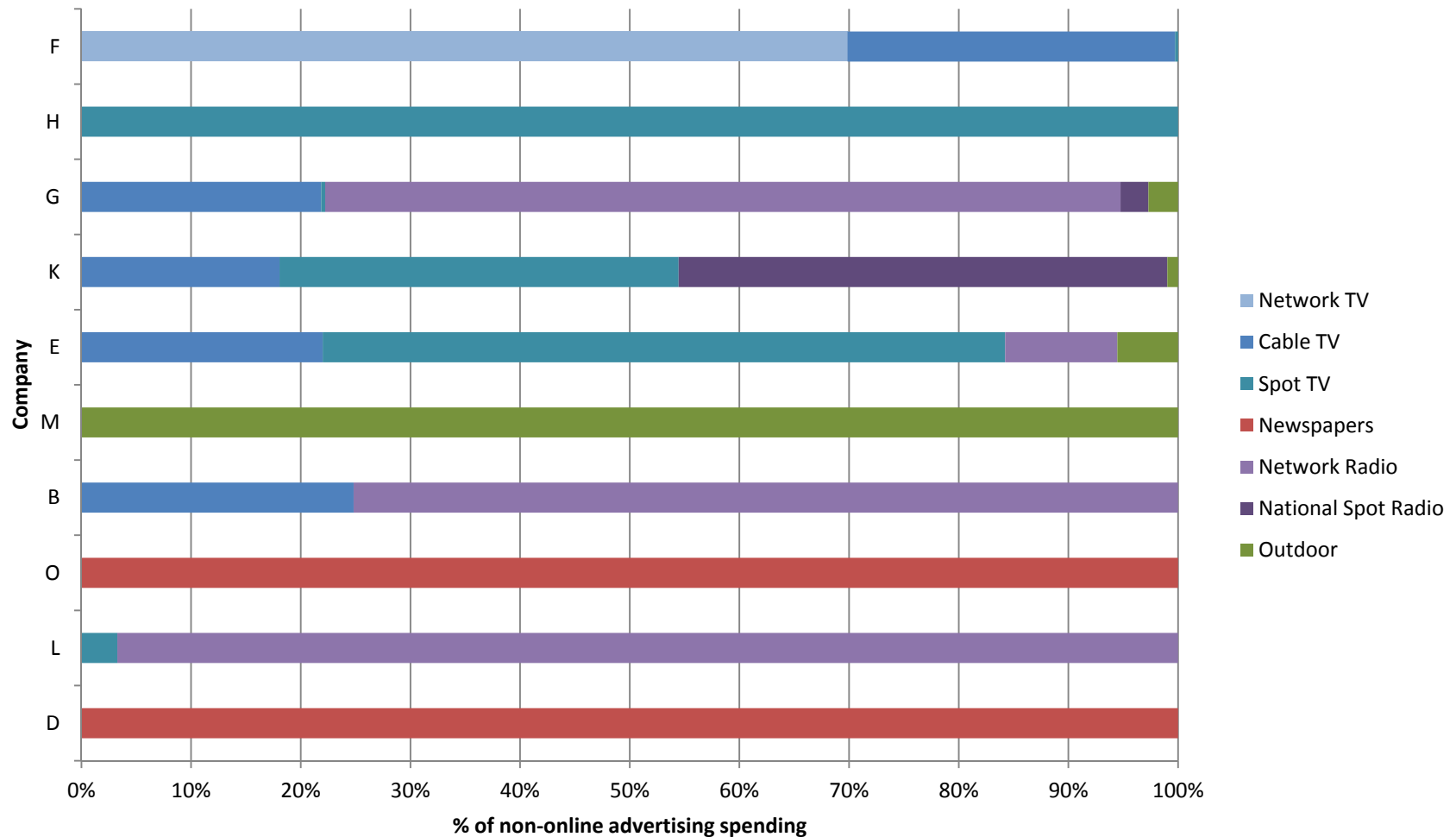
- APR often includes other fees (e.g. origination)
 - Varies widely, ranges (of those listed):
 - Minimum APR: 4.49% - 34%
 - Maximum APR: 12% - 155%
- Many lenders observed used the same loan issuers:
 - Cross River Bank: 5 of 15
 - WebBank: 3 of 15

Fees and Loan Issuers

- Fees

- Overall most common:
 - Unsuccessful Payment Fees: 9
 - Origination Fees: 8
 - Late Payment Fees: 8
- 8 of 15 mention “No Hidden Fees”
 - Among these, the number who mention the following:
 - Unsuccessful Payment Fee: 6
 - Late Payment Fee: 5
 - Origination Fee: 4
 - Check Processing Fee: 2
 - 1099 Duplicate Fee: 2
 - Collections Fee: 1

How Do They Advertise?



Source: Kantar Media Ad Spender (Media Mix 3/2013-3/2016), ordered from most to least total spending. Note on data availability: This covers only non-online media, and five lenders did not have data available.

How Do They Advertise?

- We looked at Google Display Network advertising (via MixRank):
 - Examples:

Personal Loans up to \$35K
660+ Score? Rates start at 6.78% APR. Fixed Rate. Instant and Secure

Apply today for a loan!
Rates start at **5.84** % APR*

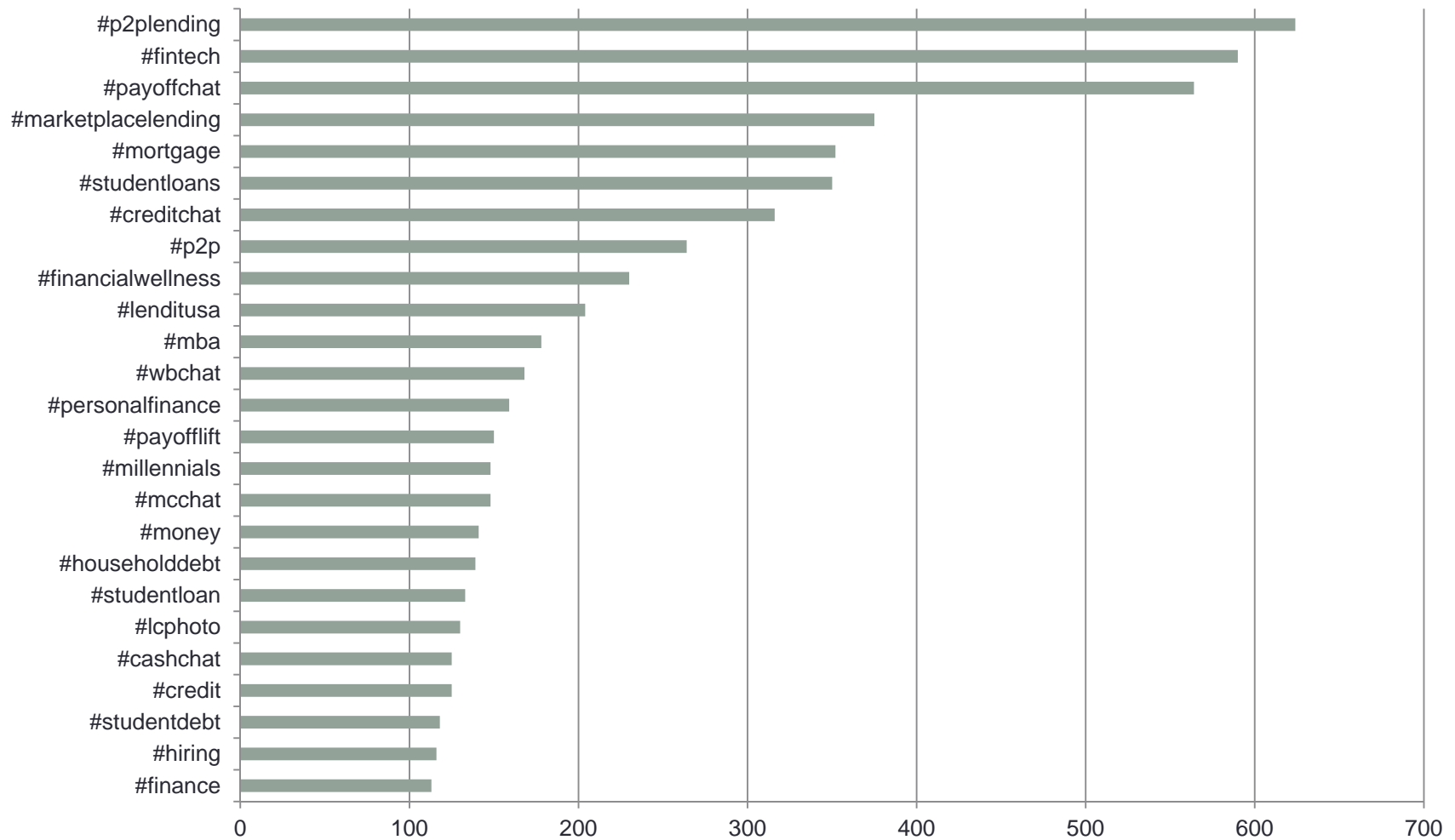
GO!

✓ Get \$1,000 – \$10,000
✓ Fixed interest rates
✓ No late fees
Apply Now

College Degree, 640+ Credit Score? Rates Up to 50% Lower. Check Today!

- The most common items of information in ads are Minimum APR and Maximum Loan Amount
- Ads for three of the fifteen mention credit score requirements
- Eight of the fifteen display press and media mentions on their websites
- Only four of the fifteen have a mobile app

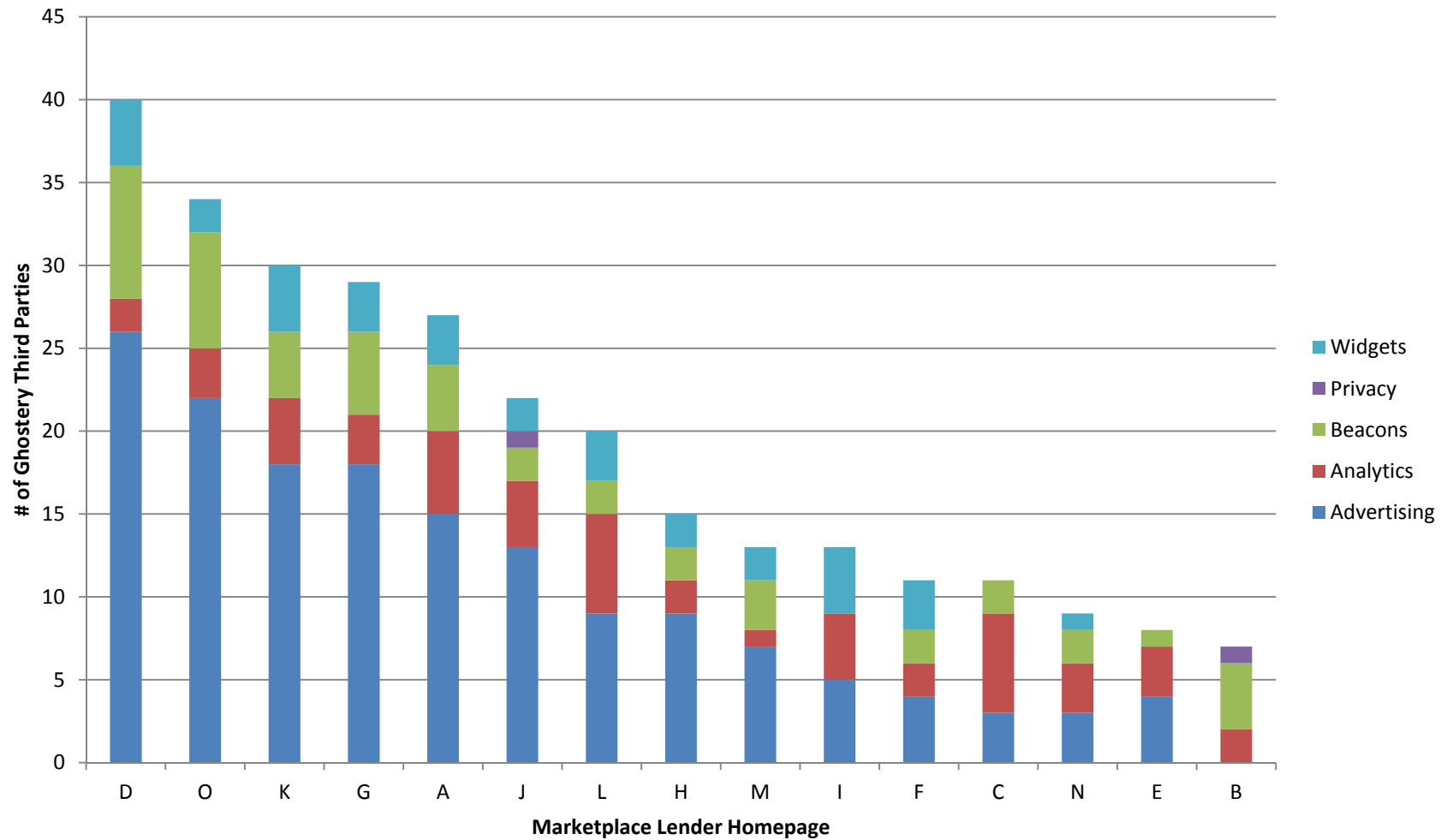
Twitter Hashtags



Third-Party Trackers on Homepages

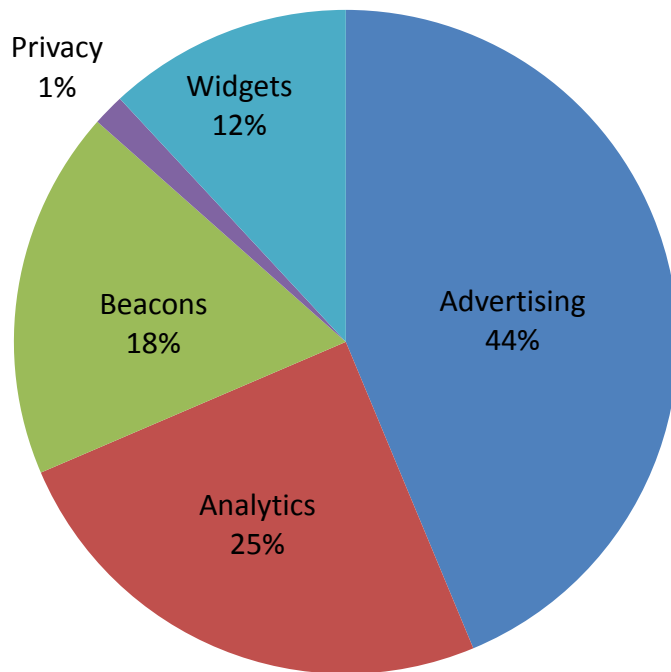
- Used the Ghostery extension for Chrome web browser
 - Visited the homepage of each, recording the number of trackers identified and the trackers' names and categories
 - Cleared cache, history, and cookies between each site visit
 - **Ghostery**: Blocks third-party tracking, and provides information on the number and identity of trackers

Third-Party Trackers on Homepages

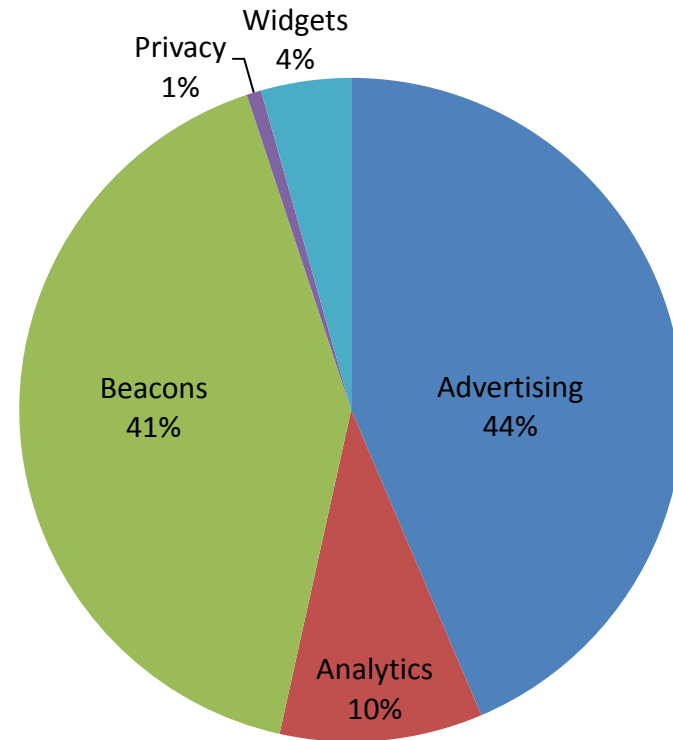


Third-Party Trackers on Homepages

Popular Marketplace Lender Homepages
(15 Homepages, 95 Unique 3rd Parties)



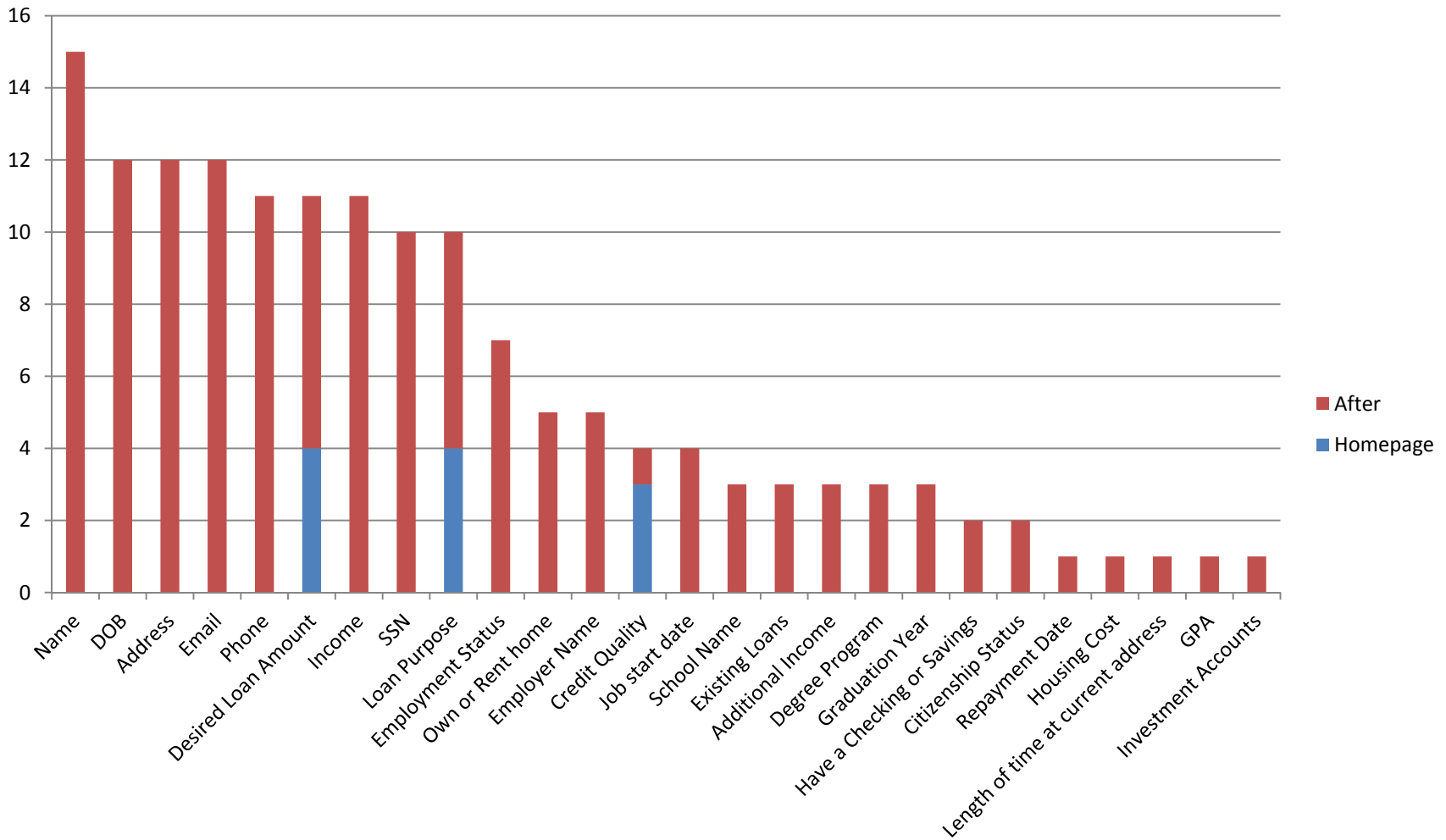
Popular Bank Homepages
(15 Homepages, 81 Unique 3rd Parties)



Consumer Data Collected

- Entered information for consumers with a range of generic credit profiles, did not go beyond prompts for SSN or bank account information
 - Created website accounts when required to continue
 - Cleared cache, history, and cookies between each site visit
 - Additional information may be collected later in the application process, outside the scope of this study

Consumer Data Collected



Consumer Data Collected

- Two lenders redirect consumers based on credit quality entered
- Ten of fifteen inform consumers that entering data will not impact credit scores during the form filling process

Review

- Looked at lenders, their advertising and websites
 - Possible uses for loans are diverse
 - Lenders vary in use of advertising media
 - Minimum APR and Maximum Loan Amounts appear most often in ads and on the homepage
 - Loan Periods and Max APR require more navigation
 - Some websites embed more third party tracking than others
 - Initial stages of data collection ask for a few common pieces of information
 - Longer tail of varied less frequently collected data elements