



May 14, 2020

Via Electronic Mail

Brock Blake, CEO
Ethan Hanson, SVP, General Counsel
Lendio, Inc.
4100 Chapel Ridge Road, Suite 500
Lehi, UT 84043
ethan.hanson@lendio.com

**Re: Misleading Small Businesses About Emergency Assistance in the
Coronavirus Aid, Relief, and Economic Security Act**

WARNING LETTER

Dear Messrs. Blake and Hanson,

This letter is to advise you that Lendio, Inc. (“Lendio”) and its lead generators may be unlawfully misleading small business consumers about federal loans or other temporary small business relief in violation of the Federal Trade Commission (“FTC Act”). 15 U.S.C. § 45.

As you know, the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) is intended to provide emergency relief to individuals, families, and businesses under severe financial strain amid the novel coronavirus outbreak (COVID-19). The Act offers vital assistance to small businesses struggling to keep their workforces employed, by creating a new Section 7(a) loan program: the Paycheck Protection Program (“PPP”). Small businesses may apply for PPP loans through U.S. Small Business Administration (“SBA”)-authorized lenders or other lenders SBA has determined to be eligible.

FTC staff has reviewed advertising and marketing by, or on behalf of, Lendio, including IT Media Solutions, LLC and the website sba.com, and Merchants Advance Network, Inc. and the website manfunding.com, as recently as May 8, 2020.

These websites have included the following claims:

- Using the name sba.com, the website prominently has touted “Your Paycheck Protection Program Loan starts here” and has solicited consumers to “Get Started” with their PPP loan applications;

- Consumers who have scrolled further down have been told that sba.com “connect[s] you to our large nationwide network/marketplace of approved PPP (Paycheck Protection Program) lenders”; and
- Merchants Advance Network has represented it is an authorized SBA loan packager who “only charge[s] a nominal fee of \$495 per business” and “will work with you hand-in-hand to apply you for ALL eligible relief products that the SBA has to offer.” Its website, manfunding.com, encourages consumers to “Apply Now” and “Find a Participating Lender” for PPP loans.

These and other claims on these websites suggest, among other things, an affiliation or relationship with the SBA and approved PPP lenders and that consumers can get PPP loans by applying on these sites. In addition, agents, including lead generators and others providing PPP application assistance, are prohibited from charging fees to PPP loan applicants, either directly or by taking a fee out of the loan proceeds. To the extent that any of these claims are not truthful, omit material information needed to prevent the claims from misleading consumers, or are not substantiated, they would violate Section 5 of the FTC Act, 15 U.S.C. § 45, which prohibits “unfair or deceptive acts or practices in or affecting commerce.” Under Section 5, it is unlawful to make representations that are likely to deceive consumers, including small businesses. This includes express or implied representations, whether made directly or indirectly.

Lendio should take immediate action, including by reviewing and monitoring all advertising and marketing used by, or on behalf of, Lendio in any form (including websites, social media, emails, telemarketing, and text messages), to ensure all deceptive claims are removed. You also should act immediately to remediate any harm to small business consumers stemming from such claims. This letter is not meant to contain an exhaustive list of possible violations related to your products or operations.

Please notify us **within 48 hours** of the support Lendio has for the types of claims described above and specific actions Lendio has taken to address the FTC’s concerns by emailing COVID19ResponseDFP@ftc.gov. FTC investigators have copied and preserved your website and marketing materials and will continue monitoring your representations to evaluate whether further action is appropriate in connection with your activity. If you have any questions regarding compliance with the FTC Act, please contact us at COVID19ResponseDFP@ftc.gov.

Sincerely,

**MALINI
MITHAL**

Digitally signed by MALINI
MITHAL
Date: 2020.05.14 12:34:15
-04'00'

Malini Mithal
Associate Director, Division of Financial Practices
Federal Trade Commission

Eric S. Benderson

Digitally signed by Eric S.
Benderson
Date: 2020.05.14 16:01:05 -04'00'

Eric S. Benderson
Associate General Counsel for Litigation
U.S. Small Business Administration