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DIGITAL LENDING

Debt market opens to P2P loans

SARA TOTH STUB | MARCH 31, 2016



Last week British investor [Fintex Capital](#) issued the first Euro-denominated bond backed by marketplace loans. Like traditional bonds, it can trade through Euroclear and carries an International Securities Identification Number, but it is backed by a bundle of unsecured online loans to consumers, part of a rising phenomenon known as peer-to-peer, or marketplace lending.

It is the latest sign that marketplace loans are emerging as a mainstream global financial asset class driven by institutional investors.

“Marketplace lending is here to stay,” said Robert Stafler, cofounder of Fintex, which placed the first Euro bond last week with a group of institutional investors. That bond,

worth up to 100 million euros, is backed by loans from [auxmoney](#), Germany's leading peer-to-peer marketplace. "It will have an ever growing place in the enormous credit landscape of every country, in every vertical."

The amount of money involved in this particular Fintex deal may be relatively small, but it, and a series of wider issues of securities backed by marketplace loans on the U.S. market, show that institutional investors — who make up 80% of the capital behind marketplace loans — are increasingly active in the space. Consequently, institutional investor participation is improving the liquidity and sophistication of this rapidly growing industry that set out to be an alternative to traditional banking.

This raises the question about whether marketplace loans are an alternative to banks, giving regular folks new access to lending or borrowing money, as they set out to be; or

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3 top online payday loan alternatives

- Online payday loans can be even more toxic than their storefront cousins.
- Several online alternatives are taking on payday loans with everyday lending alternatives.

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DIGITAL LENDING

Inside CommonBond's 401(k) platform for student loan debt

- CommonBond is launching 401(k) platform for student loan debt.
- Letting employers contribute directly towards employee student loans could impact the entire student loan ecosystem.

DIGITAL LENDING

The mortgage industry (finally) moves online

- 75 percent of home buyers would use online mortgages if they knew they could speak with someone when needed.
- "I was frustrated by how offline, opaque and inefficient the mortgage application experience was," said Rajesh Bhat of Roostify.

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BANK OF THE FUTURE

If you can't beat 'em join 'em: Fintech and banks collaborate in online lending

- The future of banking looks increasingly collaborative with fintech.
- 25% of Spotcap's loan book is in piggyback loans with banks.

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Everywhere you look, problems for marketplace lending

- marketplace borrowers getting tapped out
- Chinese lender requests nude pics as collateral

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