Weekly News Update

Week Ending 7/14/17

Tezos raises more than $200 million in first 4 days, will become largest ICO ever

4/7/17

Tezos has raised over $200 million in the first four days of its initial coin offering (ICO), thus becoming the largest token sale ever. At press time on Tuesday, contributions had reached 49,851 BTC ($130.6 mln) and 255,862 ETH ($71 mln).

Recently, blockchain startup Block.One hit a record funding, raising around $185 million in the first five days of the crowdsale. Prior to that, another startup, called Bancor, netted nearly $150 million in contributions during the first three hours of its ICO.

The sale of TEZ tokens will last for the next eight days until July 12. Unlike traditional crowdsales, Tezos ICO is not capped by a set number of tokens, what is likely to drive a widespread distribution of tokens. Initially the token sale was planned to start in the middle of May, but at the last minute was postponed to June.

Earlier, Tezos received investment from an American venture capitalist Tim Draper, what attracted additional interest to the startup. Draper is also going to invest in the US-based Dynamic Ledger Solutions Inc, the developer of Tezos. Still, the details of the investment were not disclosed.
Draper first unveiled his desire to take part in Tezos' token offering in May, thus becoming the first prominent VC investor to participate in an ICO. Some industry players are still concerned about the possible risks of token sales and the lack of regulatory control.

Draper believes that by investing in the startup he will set an example for other investors to embrace this new type of funding. Another well-known American entrepreneur, Mark Cuban, unveiled that he is going to participate in his first ICO.

Established by a husband and wife team, Tezos is an independent smart contract system built as an alternative to Ethereum. The platform has been under development over the last three years.

Arthur Breitman and Kathleen Breitman used their extensive experience to develop the new blockchain solution. Arthur Breitman previously worked at the high frequency trading desk at Goldman Sachs and served as an options market maker at Morgan Stanley. Meanwhile, Kathleen Breitman is a former management associate at Bridgewater Associates, the world's biggest hedge fund. The startup is focused on transparency, security and governance by consensus as fundamental design goals.

More and more companies are now turning to ICOs as a way to raise capital for their further development. Over the last few months, there have been a number of crowdsales launched by blockchain startups and more sales are expected in the upcoming months.

https://www.coinspeaker.com/2017/07/04/tezos-raises-200m-first-4-days-will-become-largest-ico-ever/

FunFair raises $26 million in 4 hours

6/7/17

Tech entrepreneur Jez San's latest venture, FunFair Technologies, has raised a landmark sum from the presale of tokens that will eventually power every aspect of its blockchain-based gaming technology platform. FunFair is designed to deliver unrivaled transparency for consumers and efficiency for casino operators.

Slated to last a maximum of 15 days, FunFair's Phase 1 Token Presale on June 22 sold out in just 4 hours, having reached its hard cap of $10M in contributions made using the Ether cryptocurrency. FunFair also received more than $15M in Bitcoin and other cryptocurrencies from individual contributors as well as institutional funds, including BlockTower Capital, Kryptonite1, and Pantera Capital.

"I'm thrilled that the blockchain community and institutional investors have so emphatically backed the team, our vision and the progress we've already made," said Jez San OBE, founder and CEO. "Now it gets even more exciting as we work towards a live platform and the creation of a truly fair, transparent and player-focused gaming world."

"FunFair is an incredibly clever Ethereum-based casino games company – decentralized, P2P, provably fair online gaming. My intuition is that Funfair is going to be huge," noted Dan Morehead, Founder and CEO of Pantera Capital.

"Funfair will be one of the first practical applications to go live on Ethereum, and it actually solves a real problem of high casino fees and trust. It's an Ethereum app that I could actually see my grandma using, which is pretty cool!" remarked Joey Krug, Co-Chief Investment Officer of Pantera Capital.

"FunFair has built the first production-ready state channels, powering incredibly quick games without compromising on provable security. They're leagues ahead of other efforts. Jez is everything you could want in a project lead, and I believe FunFair will be an invaluable addition to the ecosystem," said Charles Noyes, Analyst, Pantera Capital.

"Funfair, the team and the technology, were very impressive. Gaming is a major vertical set for disruption by smart contract technology and Funfair are by far the furthest ahead in terms of functionality and playability," said George McDonough, CEO of Kryptonite1.

"Jez and the FunFair team are fantastic. I've known Jez since 2013, and it's been a privilege to work with his team defining the token mechanics and creating the ultra-efficient, token sale contract. I'm looking forward to the next phase for FunFair!" said Peter Vessenes, Managing Director of New Alchemy.

"I'm excited to see an experienced entrepreneur like Jez San bring Blockchain technology to gambling. Gambling is an obvious use case for Blockchain tech, but hasn't yet been implemented in a user-friendly way - I'm looking forward to seeing FunFair change that," noted Ari Paul, Founder, Block Tower Capital

Founders Jez San, Jeremy Longley and Oliver Hopton have a proven track record of over 40 years creating innovative interactive entertainment products and have sold millions of games in the process. The team went public with their plans in early June, publishing commercial and technical white papers, news of its Token Presale and an early platform prototype with casino games playable on an Ethereum test network, using FunFair's unique Fate Channels.

FunFair's Token Presale took place against the backdrop of recent Initial Coin Offerings (ICOs), which have placed enormous strain on the blockchain, causing global disruption and shutting out potential investors. FunFair delivered an orderly sale with no blockchain disruption and no fraudulent interference thanks to a number of ICO innovations:

- FunFair was the first to use the Ethereum Name System (ENS) in a Token Sale, directing people to 'funfund.eth', in addition to providing a hexadecimal Ethereum address. This resulted in a more secure investment channel, reducing opportunity for fraudulent activity.

- New Alchemy, the advisers and managers of the FunFair Token Presale were responsible for the gas efficient, Multi-Mint Technology that enabled FunFair to accept not only Ether, but also Bitcoin, ZCash, and selected ERC20 tokens.

- FunFair is implementing a two-phase token event strategy, including a limited Phase 1 Presale enabling early adopters and investors to participate, followed by a larger Phase 2 event due later in the year.

- Combination of VIP and community outreach maximized both volume of participants and total USD raised, with over 1,500 transactions to the smart contract, evidence of the broad participation base sought by the team.

- Soft cap and further 4-hour sale period enabled all investors to participate within the short time window.

The FUN token has already been listed on one cryptocurrency exchange including Bittrex and EtherDelta, helping to raise awareness of the project and determine a fair market value ahead of the Phase 2 Token Event in September.

According to FunFair's roadmap, its development team will now focus on more advanced iterations of its proprietary Fate Channel technology, a larger suite of games including Roulette and Blackjack, and an Alpha release of the platform before the year's end.

http://www.prnewswire.com/news-releases/funfair-token-presale-raises-26-million-in-4-hours-300483798.html

What API standardization could mean for payments fraud

6/7/17

API technology is opening new doors for the world of financial services, a trend that cultivates cooperation and collaboration between FinTechs and banks, once considered competitors.

With the speed of payments accelerating and Same Day ACH initiatives continuing to roll out, NACHA has pulled together a group of industry experts to explore API standardization as a way to facilitate faster payment speeds and greater transaction security, among other use cases.

The newest member of that group is Christina McGeorge, the chief product officer and vice president of product ownership at D3 Banking, a company that positions itself as a collaborator to other FIs by providing an array of banking technologies. McGeorge told PYMNTS recently that she is honored to have been invited as the latest member of the NACHA API Standardization Industry Group, and went on to discuss a bit about how the initiative may accelerate implementation of faster payment capabilities within the nation's financial services community.

"I would say that there is real movement in the industry in terms of real-time payments and Same Day ACH," she said. "APIs have been around for a long time and have been in existence in all of the vendors, banks and financial institutions that are participating in the leadership group of NACHA. Now, the key is to look at how we directly interact with each other in a standard messaging format that is well known to everyone."

Traditional banks have taken some slack for being slow to innovate, but McGeorge said FIs, in this case, haven't necessarily lagged in adoption and use of APIs. But newer technologies on the market are making it more difficult for everyone to get on the same page about how to use the tool.

"Now, what we're really seeing is a movement in the industry that I would say stems from new technology, new architects that make it quite a lot easier to make technology like this open to everyone," the executive said. But the industry is now tasked with finding a way to approach these technologies in a uniform way "so it puts people on a level playing ground," she added.

APIs can certainly be used for a virtually limitless list of use-cases, but NACHA's Industry Group will be examining how to standardize APIs for financial services providers to enhance faster payment capabilities. There are a few ways the technology can do so, McGeorge explained.

"For instance, in the ACH world, to determine if the funds are good on the opposing side of the transaction, you have to put that data through a file and submit it to the Federal Reserve. That's the standard protocol for communicating between institutions," she said. "Until that file is received there is no resolution of whether the payments move."

Faster payments initiatives like Same Day ACH are changing how that process operates, she continued.

“There are things that have to occur both prior to and after those communications, and they have to do with verifying that the account holder truly owns that account, verifying the identify of the account holder,” McGeorge said. “And there are instances where, even if it is a legitimate account, fraud is occurring.”

There is a window of opportunity to catch the fraud of any invalid accounts or account holders, she said, and that window is determined by the mechanism by which data are transmitted across the parties involved in this transaction. APIs are all about opening communication across those parties, McGeorge said.

Faster payments mean faster communication, and while APIs facilitate that acceleration, they also demand that the industry reexamines how it tackles some of these issues like fraud.

The Group, which met for the first time last month, will be looking at these various facets and how to standardize processes like fraud detection and prevention and data sharing via API calls, which users of these APIs can invoke to run tasks like administrative or data query processes. According to NACHA managing director of network development George Throckmorton, who also leads the group, API standardization can be “transformative” for the financial services space.

A report released by NACHA of the inaugural meeting said APIs “can help improve the safety, efficiency and speed of communications. Despite the obvious benefits of APIs, adoption — particularly within the U.S. financial services industry — has been slow. The question remains … why?”

“There are a few areas we’ll be looking at,” McGeorge said,” and we will be developing API calls that address each of those use cases. We’re beginning to pave out the technology in those calls, and then move from there, expanding and opening up the number of calls and use cases that we address.”

She said she absolutely expects API technology to continue to proliferate in the financial services world, as will the number of industry stakeholders that explore how to streamline the way financial services players interact with and deploy these APIs.

“There are many movements in the industry – the API Standardization Industry Group is just one movement,” she said. “But you’re seeing a collective force of vendors and institutions moving forward.”

http://www.pymnts.com/news/b2b-payments/2017/nacha-api-standardization-d3-banking/

SoFi announces partnership with Alaska Air

7/7/17

Online lending platform SoFi announced this week it has teamed up with Alaska Air to help its new members save money on student loans while also earning extra summer travel points.

This news comes just a little over a month after SoFi announced its partnership with airline company, JetBlue, to help student loan customers with savings and travel points as well.

Catesby Perrin, VP of Business Development at SoFi, stated at the time:
"We hear every day from SoFi members that refinancing their student loans helps them get more out of life. We're thrilled to work with JetBlue to open up a world of travel opportunities while helping people pay off their student loans faster at the same time."

Meanwhile, SoFi has officially filed with the Federal Deposit Insurance Corporation to create a state chartered bank. The FDIC filing reportedly indicates that "SoFi Bank" will be based in Utah, due to the beneficial state regulatory approach. The filing explains that the industrial bank will provide customers with FDIC insured NOW accounts and credit card products. No other services are expected to be offered, at least initially. SoFi Bank will be a 100% wholly owned subsidiary of SoFi.

https://www.crowdfundinsider.com/2017/07/118976-sofi-announces-partnership-alaska-air-help-new-members-save-money-student-loans-earning-summer-travel-points/

Stripe adds global support for WeChat and Alipay

10/7/17

Digital payments outfit Stripe is introducing global support for Alipay and WeChat Pay, connecting business customers to the hundreds of millions of Chinese consumers that actively use these payment methods.

The integration with WeChat and Alipay coincides with Stripe's entry to Hong Kong, offering local companies access the to full Stripe stack and support for Hong Kong users to get paid out in USD without currency conversion to local, USD-denominated bank accounts.

Stripe's arrival in Hong Kong follows last month's launch into six new European markets, bringing its total coverage to 25 countries worldwide.

Adding support for WeChat and Alipay will provide Stripe merchants with the ability to tap into the vast Chinese consumer market. Between them, AliPay and WeChat dominate the mobile wallet ecosystem in China, with 92% market share between them, rolling over a combined $3 trillion in payments in 2016.

Both Alipay and WeChat Pay can be implemented with Sources, Stripe's unified API for accepting any payment method with just a few lines of code. Additionally, the firm has partnered with Alipay to support recurring payments for Stripe users, easing the experience for SaaS and subscriptions-based businesses on the platform.

https://www.finextra.com/newsarticle/30809/stripe-adds-global-support-for-wechat-and-alipay?utm_medium=dailynewsletter&utm_source=2017-7-11

SocietyOne hits a milestone of writing $300 million worth of loans

10/7/17

Fintech lender SocietyOne has hit a new corporate milestone, having written a total of A$300 million worth of loans since opening shop five years ago.

Hitting the $300 million mark owes to explosive growth in the first half of 2017, with lending up 67 percent on the corresponding period last year.

"Growing interest from borrowers and investor funders over the past 12 months is proof that [we are] offering a better deal than the major banks," said Jason Yetton, CEO of SocietyOne.

"Over the past 12 months we have had more than 140,000 Australians enquire about a loan … [showing] that consumers are responding in large numbers to the idea they can leverage their good credit history to get a better deal."

In its press release, the company said that growing supply side demand had come largely from institutional investors – but also from high net worth individuals.

It also said that its own internal polling had shown that a high percentage of SocietyOne users supported an open banking standard, where banks are required by law to share their customers' data with other companies.

http://www.altfi.com/article/3182_societyone_hits_a300_million_loans_written

UK based Alternate Lending firm, Landbay partners with L&G

10/7/17

Specialist buy-to-let lender Landbay has partnered with Legal and General to launch a ‘quoting engine’ insurance service for landlords.

The new solution will be a ‘point-of-demand’ service delivered via insurance technology firm Kasko and will enable real-time quoting and underwriting of building, contents, tenant and rent guarantee insurance.

The engine will be integrated with Landbay’s online application portal for brokers and their buy-to-let landlord clients.

Of the development, Landbay managing director Paul Brett (pictured) says: “Landbay is committed to providing its intermediary partners with simple ways to add value and generate additional revenue from each opportunity.

“This new service will offer our brokers, and in turn their clients, a great deal on their insurance. Meanwhile we will leverage the latest insurtech innovations to generate quotes quickly and seamlessly, without the need for yet more paperwork when they apply for a Landbay mortgage.”

Landbay co-founder and chief commercial officer Gray Stern says: “The tie up with Legal and General follows our recent agreement with a ‘Big 4’ firm to support Landbay Accounting and Tax Services. These new value-add services have been developed to enhance our specialist buy to let mortgage offering and help position us as an expert within UK buy to let.”

https://www.mortgagestrategy.co.uk/landbay-lg-partner-launch-insurance-engine/

German consumer lender Auxmoney's cumulative loan volume crosses half-billion-euro mark

10/7/17

German online consumer lending marketplace auxmoney announced that it has crossed a new milestone: the marketplace has granted more than 70,000 loans worth more than €500 million in cumulated volume.

Raffael Johnen, CEO of auxmoney, commented:
"Half a billion euros worth of loans. This demonstrates the importance of our marketplace for credit supply in Germany. Our loans make it possible for people who were excluded from the traditional credit supply chain to participate again in the economy."

Not only is the absolute volume of loans granted by the Fintech company from Düsseldorf remarkable, but also its fast growth. Nearly half of the total volume was paid out in the past twelve months alone. The figures for the first half of 2017 confirm the trend: the volume of credit paid out in the first six month between January and June was €135 million. Compared to the €79.5 million from the first half of the previous year, this is a 70% increase.

"Just four years ago, we extended as much credit every quarter as we now do in a week. This makes it clear how strong our growth is, and how sustainable over several years it is," emphasized Raffael Johnen. auxmoney is also growing in number of employees: in 2017, the startup has created more than 20 new jobs in Düsseldorf. According to Raffael Johnen, the company is still hiring: "We are planning further recruitments in the coming months, especially in the areas of IT, data science, and sales." Several months ago, Insurance company Aegon pledged to invest a total of €1.5 billion in auxmoney loans over the coming years.

With this announcement, German auxmoney continues its neck-and-neck race for the No. 1 position in Continental Europe with French Younited Credit, who announced passing the half-billion mark a few month ago.

https://www.crowdfundinsider.com/2017/07/119038-german-consumer-lender-auxmoney-passes-half-billion-euro-mark/

ConsenSys is in talks with Mauritius to Create 'Ethereum Island'

10/7/17

Ethereum startup ConsenSys is actively exploring a partnership with the African nation of Mauritius that could create a so-called "Ethereum Island," a hub for blockchain technology innovators that would seek to branch out into Africa, Asia and beyond.

Joseph Lubin, founder, and a team of other top executives from ConsenSys – the New York-based decentralized application builder – toured the island July 5–7 to meet with the nation's Board of Investment, the Bank of Mauritius and other private and public sector authorities.

Mauritius, located 700 miles east of Madagascar, has established itself as an offshore financial center and is actively looking to do same about blockchain and related technologies. Late last year, it began the process of establishing a regulatory sandbox license in an effort to attract blockchain innovators.

Speaking to local press following the meetings, Lubin remarked that he and his team were impressed by the knowledge and enthusiasm for the technology exhibited by local officials.

http://www.coindesk.com/consensys-nation-mauritius-talks-create-ethereum-island/

Visa looks to bring QR code payments to Taiwan

10/7/17

Apple Pay, Samsung Pay, and Android Pay all debuted in Taiwan this spring, but Visa still thinks there's untapped opportunity in this seemingly saturated market: quick response (QR) codes.

According to a recent Payment Week article, the problem Visa predicts all three mobile payments systems are going to face is endpoint logistics. The Taiwanese people do not necessarily have the right smartphones to run these payment platforms, and the wireless connectivity to make them practicable is lacking.

Visa counts 35 million credit cards in the country issued by 20 different banks, yet notes many card holders haven't signed up for a single service. This is where Visa sees it's "in."

QR codes can be used to deliver mobile payments, and have been tapped to do so in developing countries. The technology allows for a bypass of massive infrastructure projects that would be necessary to support more advanced technologies like tap-to-pay and NFC readers.

Many feature phones can handle QR code operations, and the technology works just fine on slower wireless connections. As Payment Week noted, this move by Visa could go a long way toward democratizing the field. With a timeline of 18 months to implement, though, it could also get lapped by competitors, leaving Visa with little to show for the brilliant insight.

http://www.pymnts.com/news/payment-methods/2017/visa-looks-to-bring-qr-code-payments-to-taiwan/

Financial Resources Federal Credit Union teams with Roostify to create better online mortgage experience

10/7/17

Roostify, a provider of automated mortgage transaction technology, today announced that Financial Resources Federal Credit Union (FRFCU) has implemented Roostify's mortgage technology platform in order to create a better online experience for its members applying for or refinancing a home loan.

"Utilizing a mortgage solution that keeps the consumer informed of the process in real-time and that can be done entirely online is the key to providing today's homebuyers with the best experience possible."

"We were looking for something more user friendly for mortgage applicants. The standard online form didn't help our members through the process and provided no guidance into what they need to do through each step in the process," said Jason Reed, First Vice President, Real Estate Lending at Financial Resources. "The Roostify platform has given us a way to walk members through a simple process to input their information, upload documents and get us the information we need to close their loan in the most efficient way possible."

Financial Resources members are now able to complete their entire mortgage application online, including using a mobile device or tablet. They can upload their financial information directly into the platform and communicate with a loan officer during every step of the process. When they are on the go, they can easily upload and sign documents without a trip to the bank, saving precious time in the closing process.

"Not only do our members get a much more user-friendly experience, our loan officers spend much less time chasing information, and they can focus on providing a better experience and closing loans in much shorter timeframes, which benefits all parties involved," added Reed.

Loan officers benefit from the use of Roostify's platform with a better way to communicate with members, realtors, lawyers, title agents, and more throughout the process. Additionally, because the application is clearly laid out loan officers receive more complete and accurate information when they receive an application.

"Consumers are looking for two things in today's home buying market – an easy online experience and transparency," said Frank Gelbart, Chief Revenue Officer, Roostify. "Utilizing a mortgage solution that keeps the consumer informed of the process in real-time and that can be done entirely online is the key to providing today's homebuyers with the best experience possible."

http://www.businesswire.com/news/home/20170710006200/en/Financial-Resources-Federal-Credit-Union-Teams-Roostify

Seedrs & Nutmeg partner with Fidor Bank on fintech marketplace

10/7/17

Seedrs has announced that it will be the sole equity finance provider in a new partnership with Fidor Bank, a challenger bank that launched in the UK back in 2015. Nutmeg, an online wealth manager, will also be joining Seedrs on Fidor's new marketplace. The two platforms are the inaugural partners with additional partners expected to be announced in the coming months. The marketplace is expected to include a number of debt based peer-to-peer lending platforms as well.

This Fintech marketplace is designed to give Fidor's UK banking customers access to investment opportunities in some of the UK's hottest alternative finance brands, including equity crowdfunding. The partnership is described as creating a one stop platform that provides every digital finance service a customer may need.

Katharina Rausch, Head of FinanceBay, Fidor's Fintech marketplace, welcomed both Seedrs and Nutmeg to their platform; "We are pleased to welcome Seedrs and Nutmeg into our Fintech marketplace as our investment providers. Fidor has long welcomed affluent and financially curious customers to our digital bank and based on their investment appetites we have built an exciting suite of investment products made accessible to customers via a handful of carefully curated Fintech partners. Our fintech marketplace will be instrumental in offering exciting investment opportunities to many of Fidor's UK based customers."
Seedrs is one of the most active equity investment platform in the UK having funded over 500 investment rounds for fast-growth SMEs, with more than £220 million invested into campaigns on the platform to date.

Jeff Lynn, CEO and co-founder of Seedrs, said the new partnership would provide a great opportunity to tech savvy investors to early stage investment opportunities across Europe; "We are huge admirers of Fidor and all that has achieved as one of the original challenger banks, and we look forward to welcoming many of their customers as Seedrs investors."

Nutmeg is a multifaceted wealth manager that builds and manages portfolios, ISAs and pensions, with no hidden charges. For Nutmeg customers with fully managed portfolios, we regularly review the investments to make sure that their money is still invested in the assets that best fit their personal investment goals and risk profile. Nutmeg invests in exchange-traded funds, which are designed to track the movement of various market indices.

Martin Stead, CEO of Nutmeg, said the way people are saving and managing their money is clearly changing. "Innovative technology is transforming financial services with a clear focus on improving access and opportunity for new and existing investors," said Stead. "We are passionate about making quality wealth management available to everyone and initiatives like Fidor's Fintech marketplace, make great strides toward this goal."

Fidor Bank may be described Europe's original digital challenger bank. Founded by CEO Matthias Kroener in 2009 in Germany, Fidor has been a recognized pioneer in the digital banking business. Acquired by Group BPCE in France last year, the digital bank clearly has large aspirations. The company launched its retail banking offer in the UK in September 2015, and plans to expand its services into Europe in the coming months. It currently has over 350,000 online community members in Germany and the UK, with a customer base of over 100,000.

https://www.crowdfundinsider.com/2017/07/119036-seedrs-nutmeg-partner-fidor-bank-fintech-marketplace/

Coinsource launches five Bitcoin ATMs in Phoenix

10/7/17

Coinsource, a bitcoin ATM network, announced on Monday it launched five new machines in Phoenix Metropolitan Area, marking its first venture into Arizona. According to the company, the bulk installation caps off a strong first and second quarter, with it installing 50 machines so far, this year, now with a portfolio of 116 machines across 10 states. The five new Bitcoin ATMs have been installed in Phoenix, Peoria, and Mesa.

While sharing details about Coinsource's expansion, CEO and Co-Founder Sheffield Clark, stated:
"We are really excited about our reach into Phoenix, one of America's largest metropolitan areas geographically, and the fifth largest by population. We simply addressed a market need there and we are proud to provide more options to people who are starting to use bitcoin, or want to use it, as commonly as they use cash or credit cards. We are also proud to start doing business in a state that is so blockchain technology progressive. In March, Arizona Governor, Doug Ducey signed a bill recognizing blockchain signatures and smart contracts as state law."

Clark also noted:
"Coinsource has had a busy three months; we've conducted several recruitment rounds, strengthened our team to 20, and are now close to announcing significant projects outside the US. Q3 is set to be our biggest quarter yet, with a higher rate of installations planned, more team members coming on board, and more state by state market entrance."

Concurrent to the installation in Arizona, Coinsource also added two machines in Los Angeles, and two in Las Vegas. Clark added:

"The specific locations of our machines are selected based on their high vehicle and foot traffic, parking convenience, ease of access and long trading hours of the stores they occupy. This quarter, we've seen increases in volume; our customers are telling us they are far more willing to buy and sell bitcoin at physical, conveniently located machines than deal with the hassle of online exchanges."

Coinsource reportedly controls 15% of the Bitcoin ATM market. The company has a strong presence in California, Nevada, Texas, Louisiana, Missouri, New Jersey, New York, Pennsylvania, Tennessee, and Arizona.

https://www.crowdfundinsider.com/2017/07/119061-coinsource-launches-five-bitcoin-atms-phoenix/

CrediFi enables real time streaming of Real Estate deals and client data directly within Salesforce

11/7/17

CrediFi Corp., the premier market intelligence and deal discovery engine for commercial real estate (CRE) finance, has announced the launch of a new solution that seamlessly streams CrediFi data into the Salesforce® CRM platform with the click of a button.

CrediFi simplifies the work of CRE dealmakers by serving as the one-stop-shop for data and analytics on commercial properties and loans as well as CRE owners and lenders. Now, CrediFi enables users to sync its vast repository of CRE data seamlessly and directly into Salesforce.

"Anyone invested in CRE is invested in relationships. You have to stay current with clients AND find new ones. It takes a huge chunk of the day to ensure you know the latest moves by clients and finding new prospects," said CrediFi CEO, Ely Razin. "Properties change hands, loans get refied and strategies shift if you're not on top of your client's latest moves, someone else will be. CrediFi for Salesforce was built so you can discover new opportunities and know portfolio changes as they happen; all in your Salesforce account."

The launch of CrediFi for Salesforce® follows the April launch of CredifX, an online marketplace for CRE financing, and CrediFi recently secured $13 million for its Series B funding. Michael Helpern has joined CrediFi's team as Head of Strategy, and will oversee further innovation of solutions for this market. Mr. Helpern brings with him over a decade of experience in commercial real estate brokerage, at firms including Marcus & Millichap and CBRE.

"Any CRE player is far too familiar with the headache of downloading, uploading, managing and organizing batches of data," said Helpern "CrediFi for Salesforce® is the antidote for that, and simply enables you to focus on bringing in revenue."

About CrediFi

Founded in 2014, CrediFi offers cutting-edge big-data solutions to the commercial real estate (CRE) finance market. CrediFi is the CRE leader in the fintech space and empowers borrowers, brokers and lenders to make better real estate investment decisions. CrediFi has raised $23 million in capital, has over 80 employees and is dual-headquartered in New York City and Tel Aviv.

http://www.prnewswire.com/news-releases/credifi-enables-real-time-streaming-of-real-estate-deal-and-client-data-directly-into-salesforce-300486097.html

Fintechs pose disintermediation threat: CFA

11/7/17

The latest CFA Institute report shows fintechs specialising in blockchain, robo-advice, mobile payments and peer-to-peer lending have the highest potential to disintermediate the financial services industry.
CFA Society Sydney president Anthony Serhan said innovation in these areas will likely disrupt financial institutions together with artificial intelligence, big data and cyber security - albeit with "limited discussion."

Serhan noted within Australia's superannuation system, robo-advisers can be most beneficial by delivering tailor-made wealth management services rapidly and conveniently to investors instead of only high-net-worth clients."It's a perfect combination of technology and finance working for the benefit of the end investor," he said.

"Robo-advisers for example offer low marginal cost wealth management service via the internet and mobile devices with the help of internet technologies, big data analysis, quantitative financial models and algorithms."

In May, the institute announced it will add AI and big data in its exams. A spokesperson from the CFA Institute told Financial Standard it will also include coverage of cryptocurrencies and automated retail platforms.

The New Fintech 2017 report also found while technological innovation is a strong point for fintechs, a lack of experience in operating in the sector means they'll unlikely replace the traditional function of big players such as banks.

CFA Institute director of content for Asia Pacific and co-author of the report, Larry Cao said fintechs have the ability to build smart experiences that banks couldn't or didn't want to build.
Cao urged banks and fintechs to collaborate with a long-term view in mind, stating this is a "win-win strategy."

Banks are also weak in technological segments like P2P while fintechs offer more room for innovative ideas and technological skills but at lower profit margins, Cao added.

Fintechs will continue to capture the technological development market because traditionally banks haven't been eager to develop these kinds of businesses - but a change in attitude would pose the biggest threat to fintechs given banks' sheer scale and resources, he said.

http://www.financialstandard.com.au/news/fintechs-pose-disintermediation-threat-cfa-100495364

P2P lender Folk2Folk launches “local” IFISA

11/7/17

Folk2Folk has announced the launch of its Innovative Finance ISA (IFISA). The P2P lender’s “local” ISA can give investors the opportunity to support British businesses within their local area whilst earning tax-free interest on the loans.

Jane Dumeresque, CEO Folk2Folk, said they were delighted to be able to provide the IFISA;
“It’s something our Lender community has asked for since we began our journey in 2013 and it’s something to be excited about,” said Dumeresque. “The launch of our IFISA comes at a time when investors are starved for yield, with most interest rates set well below inflation. At Folk2Folk we’re able to offer consumers an alternative income opportunity; one that now provides welcome tax-free interest earned through the ISA wrapper.
Dumeresque said their IFISA would not only provide a source of monthly income but would encourage more people to support and lend to local UK businesses. All Folk2Folk loans are secured by real property.

“We offer our lenders great interest rates within a transparent structure, a great feeling of local participation and the opportunity to make a huge impact on the communities in which they live.”

Depending on the loans available for investment, Folk2Folk’s IFISA investors will earn either 5.5% p.a or 6.5% p.a tax-free interest on capital whilst all the time supporting local and rural business in the UK. Interest is paid monthly and directly to Lender bank accounts. An annual administration fee of 1% plus VAT will be payable by Lenders to set up and manage their IFISA. The Folk2Folk IFISA is currently only available to existing Lenders for the investment of new money. New Lenders will be able to access the Folk2Folk IFISA from the 1st August and can register their interest on website now. The platform will also soon be accepting “transfers in” of existing ISA funds held with other providers. A date for this will be announced in due course.

“The businesses our lenders support – those local, rural and entrepreneurial businesses – are the businesses that knit the very fabric of our society together. They drive past them every day; they eat in them, buy from them, stay in them and, in many ways, make them possible. They’re part of a growing national movement to help build and sustain financially and socially successful local communities, helping to create jobs, increasing opportunity and encouraging rural diversification and growth; something that’s essential to our pre-and post-Brexit success. It’s an amazing thing for them to be part of,” said Dumeresque.

Folk2Folk provides loans based on a network of local branches. The lender intends on opening additional branches in the UK in the coming months. Folk2Folk now has a local presence in Cumbria, Cheshire, Dorset, East Anglia, Worcestershire, Herefordshire and Devon, with local offices in Gloucestershire, Yorkshire, Somerset and Cornwall.

https://www.crowdfundinsider.com/2017/07/119090-p2p-lender-folk2folk-launches-local-ifisa/

PayPal hires ex-Amazon exec for lending business

11/7/17

PayPal Holdings Inc. said Tuesday it has hired Mark Britto, a financial-technology entrepreneur and a former executive at Amazon.com Inc., to lead its lending business.

Mr. Britto, 53, joins PayPal from Boku Inc., a company he founded that lets consumers buy goods and services using their mobile phones and pay for them alongside their usual bill from their telecommunications provider. He replaces Steve Allocca, who left PayPal in May to become the president of online lender LendingClub Corp.

PayPal in recent months has been considering options for its lending arm, which provides loans to consumers to finance purchases on e-commerce websites and to small businesses that accept PayPal. The unit has bolstered PayPal's bottom line in recent years: the consumer-credit portion accounts for around 13% of PayPal's annual operating profit, or roughly $280 million, according to analysts at J.P. Morgan Chase & Co.

The company currently uses cash to fund the $5.1 billion of consumer loans and around $600 million of small business loans it has on its balance sheet. Executives are looking at alternatives that would free that cash up for other uses.

Keeping loans on its balance sheet also exposes PayPal to the risk of consumer defaults, which have been on the rise at some credit-card companies and online lenders.

"We will continue to be in the credit business for all of the great benefits that it provides our merchants and consumers, but maybe we can do that in a less capital-intensive way," said John Rainey, PayPal's finance chief, at an industry conference in May.

The J.P. Morgan analysts estimate that a sale of PayPal's consumer-loan portfolio would generate a $150 million gain on sale and would reduce the company's earnings volatility.

Mr. Britto has experience with an earlier incarnation of PayPal's lending business. Earlier in his career, he was an investor and board member at Bill Me Later Inc., which was purchased by eBay Inc. in 2008 when PayPal was a unit of the auction site. He also spent four years as Amazon's senior vice president of world-wide services and sales after the internet giant bought a separate startup he founded, Accept.com, in 1999.

http://www.marketwatch.com/story/paypal-hires-ex-amazon-exec-for-lending-business-2017-07-11

The repackaging of U.S. fintech loans comes to Canada

11/7/17

The fund's sponsor and portfolio manager claim it's the first of its kind in Canada.

But the news that fixed income manager Kilgour Williams Capital has, after about two years of due diligence, launched a credit fund that will buy high interest consumer loans from U.S. fintech companies funded with capital from Canadian high net worth and institutional investors, is significant for other reasons as well.

For one, it continues the trend for loans to be repackaged and sold to new groups of investors as part of a plan to price risk. It also shows that the fintech industry has, to some extent, matured.

And for KiWi Credit Fund — which has nothing to do with fruits or birds — the concept makes enough sense that a well-known asset manager has anted up $30 million to become the lead investor.

"It has been a great asset class for investors in the U.S. and an active securitization market has developed over the last couple of years. But to our knowledge we are the first Canadian-managed fund to invest in this space," said Colin Kilgour, a founder at Kilgour Williams, a firm best known for managing the program put in place after the $30 billion asset-backed commercial paper froze a few years back.

So why is the sector — originally known as peer-to-peer loans before morphing into marketplace loans, all of which are done online — attractive? One reason is the rates paid on the underlying fixed-payment amortizing loans are high. And rates in the 15 per cent to 16 per cent range are associated with high risks. The loans are priced between home equity loans and credit cards.

The underlying flows run this way: in addition to the high coupon, the borrower also pays a one-time origination fee (three per cent to five per cent) while the lender (which could include Prosper Marketplace or Lending Club) gets a one per cent service fee.

For investors, the pitch is an attractive yield (six-eight per cent range) paid monthly, said Daniel Williams, Kilgour's partner. "We think it compares favorably to REITs and mortgage investment corps, without the real estate exposure."

For loans the fund purchases, Kilgour said it will retain all the flows except for the service fee that the lender will retain. "We are a spread based business," he noted, which contrasts to the fee-based model of the original loan providers.

Kilgour said the fund has developed a series of criteria that decides which discrete loans get bought. "When loans become available that match our criteria, our model issues the buy order and they become part of our portfolio," a process that's done computer to computer with no human intervention. "We don't physically look at each loan," said Kilgour adding that about 60 "data points," on each loan are provided.

A minimum baseline credit score and a refusal to buy loans from certain states are two criteria used by the fund. The process takes a few seconds for loans that become available several times a day.

But Kilgour isn't expecting all the loans will be fully paid, meaning there will be some loan losses. "We expect losses in the 5 per cent to 6 per cent range," he said.

Williams adds the fund has already purchased $1.5 million worth of loans, and has been successful on about 40 per cent of its bids — in part because the business is competing with lots of U.S. buyers. In other parts of the world, including England, the market is more developed with some being listed companies such as Ranger Direct Lending and VPC Specialty Lending.

http://business.financialpost.com/news/fp-street/the-repackaging-of-u-s-fintech-loans-comes-to-canada/wcm/b9826216-c022-4e99-b73e-c6c0443e4cd5

Fintech lender strikes partnership with major Italian bank

11/7/17

iwoca has announced a strategic partnership with Italy's Intesa Sanpaolo. The fintech lending platform will now sell its credit products into the Italian banking group's SME client-base.

Intesa Sanpaolo is one of the biggest banking groups in Europe, with a market capitalization of €42.7bn. The company boasts over 11.1 million customers in Italy alone, but is also active across Central Europe, Eastern Europe, the Middle East and North Africa.

The bank's fintech venture capital arm, Neva Finventures, has made an investment in iwoca in tandem to the new partnership. Details of the investment were not disclosed.

"Investing in iwoca is of strategic importance to us in that it strengthens the Intesa Sanpaolo Group's position in new business models, and specifically in highly innovative digital financial services," said Maurizio Montagnese, chief innovation officer at the Intesa Sanpaolo Group. "The industrial synergies between iwoca and Intesa Sanpaolo could be significant in the coming years and allow the Intesa Sanpaolo Group to enter segments of the market not served by other banks."

iwoca is a fintech lender which writes loans off its own balance sheet. The company is active in the UK, Poland, Spain and Germany, and has lent over £200m across 28,000 transactions since launching in 2012. During that time, iwoca has been prolific in forging partnerships with major banks and technology firms. The firm is a participant in NatWest's Capital Connections programme in the UK, and is also partnered with e-commerce and payments giants like Alibaba and PayU.

"Partnering with Neva Finventures and Intesa Sanpaolo is an exciting opportunity to leverage our SME lending technology platform across new credit products and regions while working with one of the most forward-thinking and expansive banking groups in Europe," said co-founder and CEO of iwoca Christoph Rieche.

http://www.altfi.com/article/3198_fintech_lender_strikes_partnership_with_major_italian_bank

ISO launches cyber insurance program with enhanced rating and coverage options

11/7/17

ISO has launched a cyber insurance program with enhanced rating variables and coverage options designed to help insurers respond to the rapidly changing world of cyber risk. ISO is a Verisk Analytics (Nasdaq's) business.

The ISO program features advisory loss costs using 17 different rating variables-more than three times the number of variables typically used today-that can help insurers underwrite diverse cyber risks across industries with greater precision. The ISO advisory rating plan-developed using predictive analytics applied to more than 32,000 historical cases-can help insurers refine pricing by incorporating risk factors that are often overlooked, including years in business and revenue per employee, and by providing cyber-specific rating factors for best practices, such as data encryption and employee training.

To help insurers meet the needs of the growing market, the ISO cyber program features new coverage solutions for small- and midsize businesses-often the most vulnerable to cyber-attacks-as well as coverages for large commercial enterprises, government and nonprofit organizations, and financial services and media companies. The ISO solutions are flexible, enabling insurers to tailor coverages, limits, waiting periods, and deductibles to their individual insureds.

"Many insurers are unequipped to deal with the increasing frequency, complexity, and severity of cyber claims. They don't have the rating information and policy language needed to serve the diverse cyber insurance market," said Maroun Mourad, president of ISO Commercial Lines. "Our cyber insurance program features advisory loss costs and a comprehensive set of rating variables to enable unprecedented levels of detail in primary and excess pricing. Our flexible coverage solutions are aimed to help insurers protect businesses from the rapidly changing world of cyber risk in a timely, insightful, and operationally efficient manner."

http://www.nasdaq.com/press-release/iso-launches-cyber-insurance-program-with-enhanced-rating-and-coverage-options-20170711-00739

Why Visa and Mastercard tokenization plans worry merchants and processors

11/7/17

Since the late 1950s, processors and merchants have cast a wary eye toward the major card brands' fees and rules. As such, they believe they can spot warning signals when the card networks establish new rules or introduce new services.

Today, some merchants, issuers and processors find themselves feeling uneasy about the networks' intentions for tokenization of mobile payments.

They are concerned that the card brands will tout their "ownership" of payment card prefixes — the first set of numbers on a card that the International Standards Organization established to identify card networks for processors more than 50 years ago — as a basis for requesting that mobile transactions on their cards be routed to their networks and screened through tokenization services they provide.

Technically, only the first number in that prefix, called the Major Industry Identifier, establishes which card network is associated with the issuer number, or BIN.

But number identifiers aside, detractors say an "ownership" move would essentially be a way to bypass the Durbin amendment's Reg II debit routing mandate, in which merchants are able to choose to route to a network based on pricing or other benefits, rather than being told to route to a certain major network. It also would discourage innovation and competition from processors or issuers that have proprietary tokenization services in place or in development.

"Visa and Mastercard are saying we have to simplify this tokenization process and make it easier for everyone," said John McAllister, a consultant for smaller banks/issuers and merchants with Dorado Industries. "The card networks are saying if we have 12 or more companies out there tokenizing every transaction, it is a problem for number management and we are going to start getting de-tokenization wrong and have false declines and the world is going to be chaotic. They want to screen the tokenization of their card transactions."

On the other side of the argument, issuers and acquirers fear that demanding tokenization routing is "a territorial grab to subvert intentions, at least on the debit side, of the Durbin rules," McAllister said.
"I can see both sides of the issue on this, but I do share the concern of others about the routing," he added. "Also, right now, tokenization is virtually free, but what if we start adding basis points to these transactions, yet they only flow in one direction?"

Under that scenario, even if everyone benefits from the added security of tokenization, only one party ends up paying for it. "And that's probably not right," McAllister said.

Mastercard says these concerns do not reflect the intentions behind its proprietary services.
"We'd simply note that routing choice remains the same today, regardless of how the account is presented, either plastic card or digital wallet," said Mastercard spokesman Seth Eisen.

Each issuer and merchant is making decisions on which technologies and security they will provide to their customers, Eisen said. "We will continue to innovate with and for our customers to deliver the most convenient and secure payment experience," he added.

That commitment includes "investing in proprietary services like our tokens for mobile wallets and Internet of Things," Eisen said.

Visa did not respond to PaymentsSource inquiries by deadline.

Those leery of what the card brands have in mind regarding tokenization point to the four-year legal tussle Visa and First Data engaged in over First Data Net, a network that was established to connect merchants directly to their card issuers. First Data Net eventually was dismantled as part of an agreement with Visa in 2006.

Visa used the same defense that comes into play for tokenization in seeking to stop the First Data Net setup, saying that too many Visa transactions were moving through First Data and bypassing any security measures the card brand could apply to them.

For the most part, the Merchant Advisory Group, among others, expects a similar attitude towards tokenization.

"I don't have documents in hand to show someone saying no one other than the card brands can do tokenization, but Visa has said at the outset of their tokenization about who can and cannot use it," said Mark Horwedel, CEO of the Merchant Advisory Group. "They are opening it to IT folks to get the standard out there in a global way, but not appearing to give it to the independent networks or processors who have wanted tokenization from the start."

In that regard, the potential for card brands to dictate screening and routing of tokenized transactions is more of "a strategic issue, and not a technical challenge," Horwedel added.

In short, merchants fear a similar conflict to that which dominated the development of a common application identifier for EMV debit routing. Then, as now, merchants feared that the major card brands would use their position to defang federal routing mandates.

The EMV debit routing conflict endured for more than a year before Visa and Mastercard agreed to make technology available to other networks to meet routing mandates. Still, that structure came under fire a year ago, as independent debit networks complained about how point of sale terminals were wording the choices for consumers to make on card routing. The wording favored the familiar consumer-facing card brands while lumping independent networks under the barely descriptive "U.S. Debit" label, according to the complaints.

However, with tokenization, it doesn't make sense for the card brands to take a stance that they somehow "own" their designated card prefixes, and thus can mandate that mobile transactions with their numbers must move through their network, said Doug Kantor, a partner at Steptoe & Johnson LLP who has represented merchants in legal disputes against the major card brands.

"Are we to assume that no other network can emerge to compete with those guys?" Kantor asked. "That's a real strange problem, especially in the payments world we now live in where our hope would be that many new technology innovators would come forward."

The last thing the payments industry needs is for an innovator to develop an excellent technology for digital payments or virtual currency security only to learn they "are out of luck" because they can't expect to have any card transactions, Kantor added.

It's not a far-fetched notion, considering for the past three years both Visa and Mastercard have bolstered their standing in the digital payments landscape by pushing tokenization services, both describing their product as a Digital Enablement Program.

Any move by the networks to demand routing based on tokenization services would prompt merchants to use it as another abuse-of-power example in other cases or in new arguments, according to Kantor.
No matter which way tokenization and routing is implemented soon, Kantor said there is a growing sense that the card prefixes themselves may be a dated technology that is no longer needed.
"With technology today, you'd think there would be something out there [to render card prefixes useless]," Kantor added. "You see it with Venmo and other payment services, and they seem to be able to move transactions without a number of value [for specific card networks]."

https://www.paymentssource.com/news/why-visa-mastercard-tokenization-plans-worry-merchants-and-processors

Cross River appoints SVP and GM for Payments Division

11/7/17

Cross River announced today the appointment of Ben Isaacson as SVP and General Manager of its Payments Division. With 20 years of experience and a sophisticated understanding of the payments industry, Isaacson will be responsible for managing and growing Cross River's full suite of payments products and clients.

Isaacson joins Cross River after six years at JPMorgan Chase and, most recently as Product Executive within Treasury Services, where he was responsible for the product development, commercialization and industry development for Real Time Payment services. Prior to this role, Isaacson led the Wholesale Payments Strategy team at JPMorgan Chase, and was responsible for long-term growth initiatives, such as business-to-business payments strategy and FinTech engagement. Before JP Morgan Chase, Isaacson spent seven years at MasterCard in the Strategic Planning and MasterCard Advisors' Payments Strategy group, focusing on growth strategies and opportunities for MasterCard and its bank clients.

"As we look to continue and accelerate the rapid growth of the payments business, Ben's significant experience across traditional and emerging payments makes him an invaluable asset to lead this division," said Gilles Glade, President and CEO of Cross River.

About Cross River

Founded in 2008, Cross River is a New Jersey State Chartered FDIC-insured bank. The company recently secured $28 million VC funding from three well-regarded investors (Battery Ventures, Andreessen Horowitz, and Ribbit Capital) and has developed strategic partnerships with FinTech leaders to build fully compliant and integrated solutions for the marketplace lending and payment processing arenas. As disintermediation and financial independence increasingly fuel the new economy, Cross River is uniquely positioned to service both the established giants and the growing list of new entrants into these sectors

http://www.prnewswire.com/news-releases/cross-river-appoints-svp-and-general-manager-of-payments-division-300486146.html

Even Financial creates marketplace, new pricing model to increase performance of in-app advertising

11/7/17

Even Financial, a supply-side API and platform for online consumer financial products and services, announced the launch of its Real Time Pricing (RTP) Programmatic Marketplace. Leveraging Even Financial's proprietary data, machine learning, and predictive algorithms, the RTP technology creates a marketplace with a new pricing model for in-app, online advertising, and performance marketing, specifically by financial services institutions and affiliates.

RTP features are designed to enhance the user experience, monetization strategy and transparency of the online financial services advertising market. Using Even Financial's RTP plug-in, publishers and mobile app developers can seamlessly run native, personalized financial services offers from multiple categories including lending, mortgages, credit-cards and other banking products. Central to the RTP technology is a new pricing model that offers a unique, consumer-specific payout event for each offer based on the offer and the consumer's intent. This model is not based on traditional cost per click (CPC), but rather on predictability.

http://www.econtentmag.com/Articles/News/News-Item/Even-Financial-Creates-Marketplace-New-Pricing-Model-to-Increase-Performance-of-In-App-Advertising-119297.htm

PayPal launches Global Sellers in U.S. to boost cross-border transactions

11/7/17

PayPal is launching a cross-border trade service to help small and mid-sized businesses in the U.S. improve their international presence and sales.

PayPal Global Sellers will lower many of the international barriers for businesses, including website translation, taxes/duties presentations, international shipping and return facilitation, localized payments and other tasks.

The Global Sellers program can immediately benefit more than 562,000 small businesses in the U.S. that started to sell online to a new country with PayPal in 2016, Melissa O'Malley, director of global initiatives for PayPal, stated in a July 11 blog post.

PayPal has partnered with Webinterpret to provide the Global Sellers to merchants at no extra cost. PayPal cited Na'vi Organics as an early Global Sellers beta customer, saying the merchant has launched 55 localized versions of its store and is now accepting payment in 25 different currencies through PayPal.

"Through the combination of providing translated and localized versions of their store and offering competitive shipping rates, Na'vi has experienced a 72% increase in their international orders in the first six weeks after implementing PayPal Global Sellers," O'Malley said.

The program also provides localized PayPal secure checkout, and support from a dedicated account manager with reporting tools.

PayPal says its new cross-border trade data indicates that the small businesses the company studied that had expanded international selling with PayPal saw nearly 33% business growth between 2015 and 2016. PayPal Global Sellers is also available in the U.K. and Germany. PayPal plans to expand the service to more markets this year.

https://www.paymentssource.com/news/paypal-launches-global-sellers-in-us-to-boost-cross-border-transactions

Sindeo is back in the mortgage business after acquisition

12/7/17

“Renren, one of Sindeo’s investors, has acquired Sindeo and all of its assets,” Nick Stamos, one of Sindeo’s co-founders, told Inman in a statement. “We are excited to work closely with the Renren team to execute on our original mission of offering homebuyers a straightforward path to home ownership and refinancing.” He did not disclose the terms or the sum of the acquisition.

In June, many in the industry were shocked to hear that San Francisco-based Sindeo, a company that connects homebuyers with loans, was shutting its doors and laying off all its staff. The website went dark, replaced with a “farewell” letter from co-founder and CEO Nick Stamos.

But as of today, sindeo.com is up and running, and the letter is nowhere in sight.

“Startups are hard and simplifying the highly regulated, complex business of mortgages is even harder,” wrote Stamos in the letter posted on sindeo.com in June. “I believed we had overcome the biggest hurdles, but unfortunately, we didn’t.”

Having the right CRM isn't the only thing -- it's everything.

Christopher Hussain, an original co-founder of Sindeo, told Inman that Ori Zohar, Sindeo’s other co-founder, and Jobe Danganan, the company’s legal and compliance expert, are the two members of the leadership team that he knows are staying on board the company. “As far as the rest of the leadership team, that is a question mark,” he said. (No longer involved with Sindeo, Hussain is now the CEO and founder of RealKey.)

Stamos said via email that this was “inaccurate” — so it looks like he’s also involved.

Sindeo formerly described itself as a lender-paid mortgage originator. The company aimed to offer back-end technology to help lenders process loans more efficiently and improve communication between homebuyers and real estate agents.

Another major focus for the company was on providing more transparency for consumers and “demystifying” the mortgage process for those planning to purchase a home or refinance an existing loan. It looks like the company is going to get another chance — Hussain confirmed that the scope and focus of Sindeo is going to remain the same.

"We built a place where people could shop and apply for a mortgage from a robust marketplace of over 1,000 loan programs, with one single application and one credit check," Stamos wrote in June. "We did what everyone said couldn't be done."

https://www.inman.com/2017/07/10/sindeo-back-mortgage-business-acquisition/

LendingClub is expanding access to credit, one small business at a time

12/7/17

Access to credit has long been a challenge for small businesses, often a chicken and egg scenario where owners need capital to grow, but can't get the loan they need until they've grown. And, while access to capital has a key role in fueling economic mobility, job creation and the health of the middle class, traditional banks aren't meeting small business' needs, especially as it relates to minority communities and women entrepreneurs.

To help, we've (LendingClub) expanded our partnership with Opportunity Fund, combining the best of high-tech and nonprofit lending, to provide underserved small businesses the loans they need to flourish. Now, small business owners living in California, Florida, Georgia, Illinois, Michigan, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Texas, and Washington will have access to affordable credit.

Already this partnership has helped many entrepreneurs access capital and by 2020 Opportunity Fund plans to invest $400 million in over 10,000 small businesses.

http://lending-times.com/2017/07/12/wednesday-july-12-2017-daily-news-digest/?utm_source=Lending%20Times%20entire%20list&utm_campaign=5a456d3e5a-RSS_EMAIL_CAMPAIGN&utm_medium=email&utm_term=0_09c1a2f6b3-5a456d3e5a-104933525#heading-5

Admiral Markets adds cryptocurrencies to its instrument list

12/7/17

Joining several others of its ilk, Admiral Markets has announced the addition of Bitcoin, Ethereum, Litecoin and Ripple for trading on its platform. These cryptocurrencies will be available as pairs against the US dollar and this is in response to the growing international popularity of cryptocurrencies. They have spawned a new industry by themselves and have been gaining recognition across the financial industry.

In its announcement, Admiral Markets acknowledged the growing clout of cryptocurrencies as trading instruments but also warned traders about the risks that are involved due to the high volatility of these instruments – rises and falls of around 10% of their values in a single day are common occurrences. This is the reason why Admiral Markets is offering leverage of only 1:5 for BTC/USD and ETH/USD and only 1:2 for LTC/USD and XRP/USD.

Admiral Markets has also restricted the exposure on these instruments to 10,000 EUR at any point of time, and for now only long positions are available on these instruments. This means that traders can only buy and then sell and cannot go short as the broker needs to build some reserves at the exchange.

Admiral Markets joins brokers like Alpari, Libertex and XTB who have also added cryptocurrencies to their range of instruments over the last few weeks. They are hoping to capitalise on the growing volumes in this sector, and this is also a recognition that the market is maturing.

With more brokers offering these instruments, it is likely that volumes will increase even more, which should help the market to mature more quickly. This will help to bring volatility under control in the long term, which will help to attract even more traders.

The fact that these markets are available 24 hours a day, 7 days a week is likely to be another attractive factor for traders who complain about the lack of markets to trade over the weekend.

http://www.financemagnates.com/cryptocurrency/news/admiral-markets-adds-cryptocurrencies-instrumentlist/?utm_source=DailyNewsletter_12_07_17&utm_medium=email&utm_campaign=newsletter

dv01 launches strategic partnership with Upgrade

12/7/17

dv01, the reporting and analytics platform that offers institutional investors transparency and insight into lending markets, today announced a partnership with Upgrade, Inc., the new consumer credit platform, whose founding team is led by Renaud Laplanche.

Under this partnership, all Upgrade investors will initially receive complimentary access to Upgrade data through dv01’s reporting and analytics platform, including use of dv01’s Portfolio Management solution. Investors will have a full suite of visualization tools at their disposal, making it simple to gain a high-level portfolio overview or gather answers to complex questions involving loan composition, performance metrics, and credit metrics.

dv01 will also act as loan data agent for Upgrade’s securitizations, providing investors access to its Securitization Explorer, which includes loan level performance and composition details of upcoming deals, as well as reporting and analytics tools for use after a deal closes. Upgrade expects to access the securitization market on a quarterly basis.

http://lending-times.com/2017/07/12/wednesday-july-12-2017-daily-news-digest/?utm_source=Lending%20Times%20entire%20list&utm_campaign=5a456d3e5a-RSS_EMAIL_CAMPAIGN&utm_medium=email&utm_term=0_09c1a2f6b3-5a456d3e5a-104933525#heading-2

P2P wholesale ban boosts business for wider crowdfunding sector

12/7/17

THE FINANCIAL CONDUCT AUTHORITY (FCA)'s clampdown on peer-to-peer wholesale lending activities is pushing lenders towards other types of crowdfunding platforms to obtain finance.

P2P platforms have had to stop lending to other lenders after the City watchdog confirmed its position on the practice earlier this year, warning that it could be in breach of the rules.

"The recent changes in the P2P sector effectively pushed that type of company to the crowdfunding space," said Andrew Adcock, chief marketing officer at Crowd for Angels.

The bond- and equity-based lending platform has recently launched a fundraising for The Asset Exchange, an asset-backed lender operating in the car finance market.

The borrower is seeking to raise £250,000 through the platform through a crowd bond secured against the company's assets, returning about 12 per cent to investors. It has already raised over £58,000 from 26 investors and the offer is expected to close on 23 July.

"The new P2P restrictions are one of the reasons companies like The Asset Exchange are now using our platform," said Adcock.

Several P2P platforms such as RateSetter and Lendy are in the process of tweaking different aspects of their business, from re-arranging wholesale lending activities to stepping up reporting and modernizing default policies, as the City watchdog continues to examine the sector to potentially streamline requirements.

http://www.p2pfinancenews.co.uk/2017/07/12/wholesale-p2p-crowdforangels/

Backed by Israeli bond funds, Moinian Capital Partners rides the non-bank lending wave

12/7/17

When the Moinian Group tapped Morgan Stanley and UBS alumnus Jonathan Chassin to lead its newly formed real estate lending platform, Moinian Capital Partners, in February, it was a testament to the Joseph Moinian-led firm's ambitions to become the latest developer to expand its business into the realm of financing.

The developer-cum-lender trend has grown in prominence in recent years, spurred in part by an increasingly stingy construction financing environment that has seen some traditional lenders shy away from new developments—particularly in the luxury residential and hotel sectors, which are deemed risky. In turn, alternative, nonbank lenders have stepped up the plate to fill the void, often providing more flexible terms to help borrowers get their projects over the line.

While debt funds, mortgage-focused real estate investment trusts and life insurance companies have picked up much of the lending burden, privately run development firms have also entered the fray. The likes of RXR Realty, Mack Real Estate Group and Kushner Companies have each deployed hundreds of million of dollars into select New York City real estate projects during the current market cycle—not only providing fellow developers with much-needed capital but also seeking their own returns as debt dealers.

"It's kind of a natural progression," Jeff Holzmann, the managing director of real estate crowdfunding platform iintoo USA, said of the trend. "[Developers] are sitting on a pile of money; they have the know-how, but they don't necessarily have the right deal right now. But what if someone else does? In a way, it's a lower-risk form of participation."

For the Moinian Group, the thinking behind Moinian Capital Partners does not veer far from that rationale. The company is tapping into its 35 years of development experience and Chassin's knowledge of the finance realm to pick and choose the projects it backs.

"The benefit to our platform is that we have very flexible capital," Chassin told Commercial Observer last week. "Because we have the infrastructure of the Moinian Group to analyze deals, we can be flexible in terms and fast to respond."

As Chassin noted, Moinian was no stranger to the lending business even before launching its financing arm, having done around $100 million in transactions in the recent years prior to his arrival. The firm has closed another $200 million in deals over four separate transactions with Chassin at the helm, with more deals in the works that would push it closer to his previously stated goal of $1 billion in total loan volume this year.

Thus far, Moinian Capital Partners has sought to focus its energies on “smaller, $50 million to $100 million development deals where we can quote the whole loan,” Chassin said—the sorts of projects that often have greater difficulty securing funds from more established debt lenders. “We can get a higher all-in pricing where some of the big funds aren’t chasing them,” he said. “The construction project is complicated for one reason or another, and other lenders can’t figure it out.”

The operation is also finding success in the market for mezzanine debt, where its flexibility as a nonbank means it can provide “additional terms that other lenders don’t,” Chassin said. “Where banks and traditional mezz funds are doing five-year deals as a rule, we can quote six- or seven- [year terms]. We can do bridge deals because we understand the basis and understand the market.”

Moinian’s largest financing deal to date—a $160 million loan on the planned residential conversion of a former nursing home at 123 Linden Boulevard in Brooklyn, near Prospect Park—is an example of how the developer has been able to take an unconventional approach in the transactions it chooses to back. In addition to providing developers Solomon Feder and Israel Neiman with the debt needed to fund the nearly 500-unit rental project, Moinian also used the opportunity to take a 50 percent equity stake in the development, valued at roughly $20 million.

Chassin said the company was attracted to the project’s status as one of the largest new developments in its area, as well as its quality as a “fully amenitized building” in line with Moinian’s own focus as a residential builder. He added that while such debt-plus-equity deals are “not necessarily the plan moving forward” for Moinian, the company won’t shy away from such a structure in the future “if we like the deal.”

The nature of the transaction at 123 Linden Boulevard is indicative of how developer-cum-lenders can engage in projects that are to their liking and at a lower risk profile than if they were to pursue such developments themselves. It is an attractive proposition in a commercial real estate market that some consider overheated and overpriced with valuations stuck near 2015-level highs.

“Developers are doubling as lenders because pricing expectations and valuations are not to their liking on the buy side,” Shimon Shkury, the president of Ariel Property Advisors, said. “Those that can source capital relatively inexpensively are the ones leveraging their platforms to lend. Traditional lenders are not lending as much, and there’s very little construction lending, creating this opportunity for operators-developers to step in.”

In launching its financing operation, Moinian could source the capital necessary in part through a $361 million bond offering on the Tel Aviv Stock Exchange in 2015—at the time, the largest ever debt issuance by an American developer in Israel and a bellwether for the Israeli bond market’s now-established appeal for U.S. real estate firms seeking to raise funds.

Not only was Moinian able to secure a significant amount of capital from Israeli investors via the offering, but it did so at low borrowing costs—a roughly 4.2 percent coupon on the bonds—that have become a hallmark of the Israeli debt market. In turn, the company has been able to deploy that capital to its own borrowers with greater flexibility and imbedded upside.

“The proceeds from that bond offering, because it was inexpensive, give us some of the flexibility we have to do lower-priced deals and give the nontraditional financing that we can give,” Chassin said. “It gives us an interesting, truly wide spectrum of deals that we can look at.”

But it has also brought about slight complications, as Moinian is a publicly traded entity in Israel—beholden to the whims and concerns of the market, as well as its own bondholders. Eyebrows were raised in late 2015, when it emerged that the company had provided developer David Marx with $65 million in financing for Marx’s new Marriott Courtyard hotel development at 461 West 34th Street near Hudson Yards.

The Marx loan—which has since grown to $90 million—alarmed some market observers, who were under the impression that Moinian would deploy the capital it raised in Israel solely for its own development activities. Chassin acknowledged that Moinian had to subsequently assuage Israeli investors’ concerns and explain that the firm’s fledgling lending operation represented, if anything, a safer and more risk-averse use of its bond proceeds.

“In a relatively new market, there’s going to be a learning process,” Chassin said. “I think there was, and maybe still is, a perception that lending somehow is riskier than owning equity. We did a significant amount of work to educate investors that it’s a significantly less risky proposition than owning equity [in projects].”

He added, “From a risk perspective, Israeli bondholders should feel comfortable that if there’s any issue or a sponsor that fails on a deal, we can take over and operate [a property]. From the bondholders’ perspective, it’s absolutely a less risky proposition.” (Chassin was keen to note that Moinian is “not a loan-to-own shop” in terms of its lending practices: “We want to see that project succeed.”)

According to one Tel Aviv market source, the launch of Moinian Capital Partners was perceived as a key factor behind Israeli rating agency Midroog’s decision earlier this year to downgrade the Moinian entity trading on the Tel Aviv Stock Exchange, from Aa3 to A1 (equivalent to a downgrading from AA- to A+).

But both Chassin and other Israeli market sources with knowledge of the matter stringently denied that rationale—instead attributing the downgrade to the landlord’s ongoing retail vacancy at 535-545 Fifth Avenue in Midtown, where the National Basketball Association’s flagship retail store occupies roughly 25,000 square feet, but where Moinian has around 60,000 square feet of space lingering on the market.

“The real issue from the rating agencies was the single leasing at one asset, which took longer to get some tenants out and has taken longer [to lease],” Chassin said of the downgrade. As Israeli bonds are underwritten by the cash flow expected on the underlying real estate assets backing the bonds, Chassin said Midroog’s downgrading of Moinian was “understandable.”

Chassin and other Israeli market observers pointed to the performance of Moinian's bonds on the Tel Aviv Stock Exchange—which are trading at a premium and at interest rates in the low- to mid-3 percent range, below their initial coupon—as evidence that the market is comfortable with the developer's newfound exposure to the real estate lending market.

In fact, Chassin said, Moinian is presently "considering doing an additional raise" through yet another series of bonds issued on the Israeli market, which would further grow Moinian Capital Partners' capabilities and cement the Moinian Group's presence as one of the largest U.S.-based firms publicly traded in Tel Aviv.

He added that, contrary to apprehension about the realm of commercial real estate financing, "Now you're seeing significantly more activity from a lot of these [Israeli institutional] investors trying to lend directly in the U.S."—a sentiment echoed by Israeli market sources.

"The Tel Aviv market is so hungry to participate in real estate investments overseas," said Holzmann, describing it yet another facet of how alternative lending capital is increasingly driving the real estate market.

Holzmann also noted that Moinian's decision to allocate the capital it raised in Israel to its own lending operation is simply a matter of financial sense. "If you raise a lot of money and are unable to deploy it, it diminishes your return on capital," he said. "You're talking about a developer that has raised money from institutional investors, and they're sitting on a pile of cash."

"The bottom line for me is, we've crossed the chasm here," Holzmann added. "Real estate to real estate lending is going to grow, because the economics make sense for everybody."

https://commercialobserver.com/2017/07/backed-by-israeli-bond-funds-moinian-capital-partners-rides-the-nonbank-lending-wave/

Thales provides database encryption solution for Beyond Platform's peer-to-peer lending service

12/7/17

Thales, a leader in critical information systems, cybersecurity and data security, announces internet-based financial services technology company Beyond Platform has adopted Vormetric Transparent Encryption from Thales to deliver a secure credit evaluation model for its peer-to-peer (P2P) lending platform.

Beyond Platform wanted to implement a data security system that offered a security level required by the major banks to comply with the Personal Information Protection Act (PIPA) in South Korea. In addition, the solution needed to pass a security review by NongHyup Bank (an agricultural and retail bank in South Korea) with whom Beyond Platform was developing a joint P2P lending service. Beyond Platform adopted Vormetric Transparent Encryption from Thales to encrypt structured and unstructured data in an enterprise system. As a result, it met the database encryption requirements and passed the bank security review, opening the floodgate for developing and launching P2P services. In addition, the company has built a reputation among customers as a reliable and safe P2P provider.

Vormetric Transparent Encryption is a kernel-level encryption solution that encrypts all file types including logs and images as well as database data, so there is no need for enterprises to purchase a separate encryption solution for database encryption and unstructured data encryption.

For a startup like Beyond Platform, with a limited number of data security personnel, the solution was considered suitable because it has few performance issues once deployed and offers ease of maintenance. The elimination of additional maintenance and labor costs related to implementing the new solution drastically reduces the total cost of ownership (TCO). The decision to adopt Vormetric Transparent Encryption was also largely influenced by the fact that the full implementation of encryption technology could be reached without making any changes to the existing systems, and the implementation time was significantly shorter than that of other companies. In addition, security benchmarking through Common Criteria certification (EAL4+) gave them confidence to choose the Thales solution.

Won-seok Kim, Manager IT Dept., Beyond Platform says:
"What separates Beyond Platform from numerous other FinTech companies is that we provide the security level required by the major banks based on our corporate philosophy of putting the top priority on protecting customer information. The Thales solution provides comprehensive data security as a kernel-level encryption solution, and we believe that will allow us to protect and manage customer financial information more efficiently. We will strive to be a P2P leader in the industry by continuously driving up the security level and ultimately to become a well-respected FinTech company."

Moon Lee, Senior Manager of Thales e-Security says:
"Vormetric Transparent Encryption is simple, fast and ensures reliable system operation and management without making changes to existing applications and systems and reduces additional investment costs. As

requirements for personal information protection continue to rise, enterprises considering implementing encryption are paying increasing attention to Vormetric Transparent Encryption. Thales will continue to safely protect customer information in all formats as our customers undergo their digital transformation."

Thales partner Roltech implemented the database encryption solution for Beyond Platform. Roltech is a data encryption and network security solution provider that offers consulting, implementation, outsourcing and maintenance services for enterprise data protection and personal data compliance.

http://www.prnewswire.com/news-releases/thales-provides-database-encryption-solution-for-beyond-platforms-peer-to-peer-lending-service-300487189.html

Why Chicago is the best city to launch a fintech company

12/7/17

"Chicago's aim to become a 21st-century fintech center is at best limping along." Such was the pronouncement made in the May 27 issue by Crain's Senior Reporter Lynne Marek, who pointed to slowing VC activity and a stalled World Business Chicago initiative as supporting evidence.

As someone who moved here from Silicon Valley to launch my fintech startup, M1 Finance, I disagree strongly. Certainly, some of my decision in coming here was personal—I did want to be closer to my family. But ultimately, I chose Chicago because it is, without question, the best place to launch a financial-technology company.

Don't just take my word for it. Look at the evidence. Chicago was recently ranked among the top five global fintech hubs by Deloitte and the Global FinTech Hubs Federation, thanks in part to FinTEx Chicago's strong advocacy. Further, fintech and financial services companies even account for 14 percent of the 50 fastest-growing companies in the region, according to Crain's 2017 Fast 50.

And most important, the financial sector is driving real job growth in the city. The U.S. Bureau of Labor Statistics reported that as of March, year-over-year employment in Chicago's financial sector grew 3.6 percent—more than double gains in the next-highest industry. That also trounces growth of 2.2 percent in the financial sector nationally.

Strong job growth is indicative that a depth of talent exists here, a critical element because a startup cannot succeed on a founder's vision alone. It needs a deep and stable workforce, which we have in Chicago. Instead of constantly looking to jump from startup to startup in the hopes of getting in on the ground floor of the next new thing, employees here commit to companies and products. Employers can reward that by providing a good living for workers. The same cannot be said for Silicon Valley.

Having consistency across employees can make or break a startup in its early days and massively de-risks the venture for the founder and investors. That matters.

Additionally, as company builders in a highly regulated industry, we are heavily reliant on experience and expertise. In that regard, Chicago is unmatched. This community built innovative brokerages like OptionsHouse, OptionsXpress, Thinkorswim and TradingBlock, and created pillars of the financial community such as CME, Morningstar and Citadel.

The legal and compliance talent to disrupt financial services is here. Apex, a clearing firm that provides the backbone for major fintech companies such as Betterment, Wealthfront and Robinhood, has a second home in Chicago.

And all this matters. In the past two years, three new brokerages have launched—interestingly, all focused on different markets. Tastyworks created a platform for active equity options traders with ultra-low commissions; Tradovate deployed a subscription model to futures trading; and M1 Finance brought automation and customization to building long-term portfolios.

And what about VC activity? Of the three new brokerages, just M1 announced a corresponding fundraise. Dough, parent company of Tastyworks, last raised money in 2014, and Tradovate appears to be bootstrapped. As are other innovative and growing fintech companies.

But there's another wrinkle that separates Chicago fintech—notably, that it is driven as much by established companies as it is by startups. There is not an established fintech company in Chicago that doesn't rely on a giant team of sophisticated engineers. The innovation done in house rivals any work done in any startup across the country. For example, Citadel just created a position for a head of artificial intelligence and machine learning, pulling an established Microsoft veteran to the fintech world.

I've also not mentioned innovations in insurance, payments and other areas of fintech that Chicago companies have fostered, from Braintree to Avant and Insureon.

However, just because we are on strong footing now doesn't mean that it will always be the case; other cities are gunning for us. Our city and state leaders need to arrest the outward migration that could be taking key talent away from Chicago. And industry leaders could more willingly embrace and support collaboration as spearheaded by groups like Currency, which can foster best practices and lessen the learning curve.

Now is not the time to be complacent. After all, there are still four cities above us on the global fintech ranking.

http://www.chicagobusiness.com/article/20170712/OPINION/170719949/why-chicago-is-the-best-city-to-launch-a-fintech-company

Wells Fargo trims auto loans as market cools, risk overhaul kicks in

12/7/17

Wells Fargo is scaling back and remolding its auto lending business in response to growing stress in the market, as well as a bank-wide push for more centralized risk controls.

Wells, which was the No. 2 U.S. provider of auto loans less than a year ago, has already cut quarterly originations by nearly 30 percent over the nine months leading into March 31, according to a May 11 company presentation. It has also begun consolidating the collections operation in a move that people familiar with the business say could eliminate hundreds of jobs, after a new head of auto finance took the reins in April.

Wells Fargo joins other lenders in reducing exposure to the rapidly cooling U.S. auto market. Bankers, auto industry executives, analysts and regulators have been warning since 2014 that the auto loan market could overheat after being fueled for years by low interest rates and easy financing terms.

Chasing growth, some lenders, including Wells Fargo, began to embrace borrowers with shaky credit. In late 2015, however, auto default rates began creeping above other types of consumer debt, according to data compiled by Cox Automotive, prompting some lenders to tighten standards and edge away from the market.

Wells Fargo began curtailing its auto exposure beginning last year. It cut the share of subprime loans in the auto portfolio to over 8 percent in the first quarter from over 11 percent a year earlier, according to a company presentation.

Analysts expect to see higher delinquency and default rates when Wells Fargo reports results on Friday.

"The general view, which they've been pretty clear about, is that loan growth will be negative for next two to three quarters," said Brian Foran, an analyst at Autonomous Research. He expects the auto pullback to shave roughly one percentage point off Wells Fargo's net interest income growth over time.

The bank's executives have acknowledged that tightening of standards comes at a price.

"Wells Fargo is willing to give up volume and share to protect its balance sheet from credit risk," Franklin Codel, the bank's head of consumer lending, told the bank's investor day in May.

At the same event, Chief Executive Officer Tim Sloan singled out auto loans as the business with the biggest potential for a "negative credit event."

A Wells Fargo spokeswoman declined to comment for this story beyond what executives have already said about auto lending.

As Wells Fargo's auto loan originations have dropped, it has slipped to No. 7 from No. 2 among top U.S. auto lenders, according to Experian Automotive.

The bank also began a revamp of its auto business early this year as part of a broad overhaul following a sales scandal that has roiled the third-largest U.S. bank by assets.

In April, Laura Schupbach took over management of the auto business, months after her predecessor, Dawn Martin Harp, announced plans to leave. Schupbach is a 22-year Wells Fargo veteran who most recently ran its insurance business after various roles in finance and expenses, according to her corporate biography.

Weeks later, the bank began the process of moving collections staff from 57 locations across the country to three central hubs in Raleigh, North Carolina, Irving, Texas and Chandler, Arizona, according to an internal memo viewed by Reuters.

People with knowledge of the business say hundreds of positions will likely be eliminated. A bank spokeswoman declined to say how many jobs might be lost, and would not authorize an interview with Schupbach. Martin Harp could not be reached.

Less independence

The auto lending shake-up, some details of which were first reported by Auto Finance News, is the latest indication that Wells Fargo's top management is seeking greater control over businesses that traditionally operated with much independence.

In interviews, three people who have worked inside the auto lending operation raised questions about what impact the abandoning of the "run it like you own it" philosophy will have in the long term.

In recent years auto lending delivered nearly twice as much in revenue per dollar of expenses as the overall bank, according to people familiar with the numbers.

They attributed the performance to tight cost controls and the operational independence that was once a source of pride for Wells Fargo. But that business model has come under scrutiny after revelations that thousands of branch employees created as many as 2.1 million accounts to hit aggressive sales targets.

Following an internal investigation, Wells Fargo's directors released a report in April recommending tighter and more centralized risk management. Since then, Wells has begun moving 5,200 risk employees from business units to one "corporate risk" division.

Although the changes could make businesses less nimble, tighter controls were inevitable, said Marty Mosby, analyst at Vining Sparks.

"It was hard for them to give up that last piece of who they really were," he said. "That's what made them more profitable than the other bank."

http://www.cnbc.com/2017/07/12/wells-fargo-trims-auto-loans-as-market-cools-risk-overhaul-kicks-in.html

REcoin: the first ever cryptocurrency backed by Real Estate, confirms token pre-sale and ICO launch dates

12/7/17

Las Vegas-based blockchain startup REcoin group has finally announced the launch dates for its long-awaited cryptocurrency crowdsale. The ICO is set to go live on August 7, 2017. Real Estate guru and founder of the REcoin Group, Maksim Zaslavskiy has announced that the crowdsale process will include both pre-token sale and an official ICO fundraising campaign.

REcoin is a new proprietary cryptocurrency designed for a broad range of financial transactions and backed by the real estate held by the 101REcoin Trust, which includes the real estate in developed and stable economies like the USA, Canada, Japan, Great Britain and Switzerland.

There are several economic and technical measures in place that makes REcoin attractive as a means of payment for real estate transactions. These technical measures are going to be carefully managed, tracked and authenticated through blockchain technology. An international team of attorneys and programmers have been working tirelessly on creating solutions for REcoin holders, allowing them to enter smart contracts in real estate rentals (with the addition of sales contracts later). They are also actively developing the supporting eco-system and creating partnerships with various Internet platforms.

These measures shall inevitably lead to an exponential increase of the REcoin's investment potential. The proceeds from the initial sale of tokens will be invested in the highly regulated real estate market in virtually all jurisdictions while reinforcing the holders' and investors' confidence in the REcoin. In addition, 83% of the mining within the next fifty years of the issue will be invested in the real estate as well.

The construction of the REcoin ecosystem has been painstakingly undertaken by the development team, in the search for, creation and integration of Internet platforms that provide services in the real estate, retail and financial markets. Point-of-sale and other businesses of any specialization can also apply for inclusion in the affiliate program. A lucrative partner program is designed specifically for expanding the range of operations and services in real estate, for which it is financially beneficial to conduct operations in REcoin. By the time of launch, the REcoin ecosystem will be represented by the following Internet partner platforms:

- 101rebid – an online platform for conducting auctions for the sale/lease of real estate
- 101cowork – Internet service for finding/offering real estate services
- 101news – a news site dedicated to real estate
- 101mls – a classified ads platform designed specifically for Realtors
- 101fundit – an online platform for crowdfunding in real estate

REcoin ICO and Token Pre-sale

The REcoin Initial Coin Offering and token pre-sale stage are scheduled to run from August 7, 2017, until October 7, 2017. During this time REcoin urges investors to get better acquainted with the company before they choose to support the project. The pre-sale of tokens is not limited. However, the volume of tokens designated for sale at a discount is limited.

http://www.prnewswire.com/news-releases/recoin-the-first-ever-cryptocurrency-backed-by-real-estate-confirms-token-pre-sale-and-ico-launch-dates-300487074.html

Payroc enhances iTransact payment gateway and PayFac program

12/7/17

Payroc LLC, a leading merchant services and payment processing organization, today announced enhancements to its iTransact® payment gateway and payment facilitator (PayFac) program. Referral partners, independent software vendors (ISVs), digital marketplaces, banks and credit unions servicing small business clients and merchants all benefit from greater payments security, connectivity, flexibility, simplicity and visibility:

- New application programming interface (API) enables developers to connect with little to no effort
- Tokenization safeguards sensitive data during processing and storage, making it useless to hackers
- Secure vault storage allows merchants to remotely store customer payment types on file, substantially reducing Payment Card Industry
- Data Security Standard (PCI DSS) scope
- Auto-populating Level II corporate card data during processing optimizes interchange qualification
- White-label logo and color scheme capabilities present a cohesive brand experience

Payroc's iTransact payment gateway and PayFac program offers integrated payments across multiple payment methods and commerce channels, including credit card, eCheck, ACH, e-commerce, EMV mobility solutions, virtual terminal, recurring billing, invoicing and more to meet the needs of any business regardless of size or type. Payroc additionally offers online application, instant boarding, and extensive underwriting and risk management tools and expertise, plus a vast array of consolidated reporting capabilities.

"Providing exceptional technology, solutions and service is Payroc's top priority," said James Oberman, chief executive officer for Payroc. "The enhancements we've made to our iTransact gateway and PayFac program demonstrate this commitment and will help drive businesses forward for all our customers and partners," added Oberman.

"These technology enhancements make secure and seamless integrated payment processing a reality," said Jared Poulson, Payroc's chief product and technology officer. "This enables our clients to have the best of both worlds—they can stay focused on their core businesses while leaving us to worry about payments and the related risks," added Poulson.

https://www.benzinga.com/pressreleases/17/07/b9768512/payroc-enhances-itransact-payment-gateway-and-payfac-program

iSignthis Ltd-Worldline partnership enhances Paydentity services across EU

12/7/17

Signthis eMoney Ltd, a subsidiary of the leading RegTech payment and identity verification provider iSignthis Ltd, enters into an agreement with Worldline to provide eCommerce merchants the advanced capabilities of Paydentity(TM) with the acquiring1 experience and strength of Worldline.

Worldline, a Euronext listed multi-billion market capitalization company has over 45 years of experience in the industry and is Europe's leading payment and transactional payment service provider. Worldline can process billions of electronic transactions per year with their strong industrial processing capabilities and highly secure data centers.

European eCommerce merchants, including FinTech firms, will shortly have access to an exciting new service that combines the RegTech capabilities of iSignthis, with the acquiring capabilities and expertise of Worldline delivered via ISXPay.

Merchant's contracting directly to the service via iSignthis will have access to the full Paydentity(TM) suite of services. Paydentity(TM) services include identity verification, payment acceptation and authentication solutions, coupled with the Worldline Visa and Mastercard acquiring, settlement and clearing services.

Paydentity addresses the critical aspects of due diligence, monitoring and authentication requirements of the 4th Anti Money Laundering Directive (4AMLD) and Payment Services Directive 2 (PSD2), and is currently being deployed to major FinTech services companies and ecommerce merchants in Europe. The Worldline agreement allows for a faster and more expansive go to market strategy, and allows iSignthis to leverage the balance sheet, cash settlement and clearing capabilities of Worldline to provide surety to even the largest merchants.

John Karantzis, CEO of iSignthis said "iSignthis' partnership with Worldline allows us to target the largest ecommerce merchants and FinTechs in Europe. We can now offer Paydentity in conjunction with large scale card payment facilitation services through ISXPay. This partnership provides our customers with the benefits and assurance that they are contracting with the industry leaders in Europe."

iSignthis eMoney Ltd ("ISXPay") will be operating under its own eMoney Monetary Financial Institution license to directly contract European merchants. It will offer merchants the end to end Paydentity(TM) service, including identity verification, authentication together with the strength and assurance of the Worldline card acquiring services delivered via ISXPay. ISXPay services include JCB card acceptance, and alternative payment methods such as Yeepay, Sofort and others within Europe. iSignthis will also offer its Australian and New Zealand ISXPay card acquiring services to its multinational merchants via its agreement with the National Australian Bank (ASX:NAB).

About Worldline

Worldline is the European leader in the payments and transactional services industry. Worldline delivers new-generation services, enabling its customers to offer smooth and innovative solutions to the end consumer. Key actor for B2B2C industries, with nearly 45 years of experience, Worldline supports and contributes to the success of all businesses and administrative services in a perpetually evolving market. Worldline offers a unique and flexible business model built around a global and growing portfolio, thus enabling end-to-end support. Worldline activities are organized around three axes: Merchant Services, Mobility & e-Transactional Services, Financial Services including equensWorldline. Worldline employs more than 8,700 people worldwide, with an estimated pro forma revenue of more than 1.5 billion euros on a yearly basis. Worldline is an Atos company.

http://www.abnnewswire.net/press/en/89082/iSignthis-Ltd-(ASX-ISX)-Worldline-Partnership-Enhances-Paydentity-Services-Across-EU-89082.html

Singapore and Thailand central banks unite in fintech deal

12/7/17

The Bank of Thailand (BOT) and the Monetary Authority of Singapore (MAS) have entered a FinTech Cooperation Agreement (CA) to further develop and enhance the existing financial ecosystem in the ASEAN region.

The central banks and financial regulators of Thailand and Singapore shook on the FinTech pact during the sidelines of the biennial BOT-MAS meeting hosted by the Singapore central bank this year.
The agreement aims to "develop a richer financial ecosystem" in both countries and South-East Asia, an announcement revealed. As per the agreement, both central banks will also share information on new and emerging market trends in an era of micro-financing and digitization as well as their impact on traditional regulatory practices.

'In our present era characterized by volatility, complexity and technological innovations, I believe that strengthening cooperation among our institutions will play a key role in fostering regional financial stability and sustainable growth," stated BOT governor Verrathai Santiprabhob. The central bank official also underlined the potential for greater financial inclusion for the unbanked in the region.

Notably, the FinTech pact will also see both regulators refer FinTech companies from their countries to each other. Joint innovation projects will also be explored, particularly 'those with potential for cross-border compatibility.'

The two central banks also updated their existing memorandum of understanding (MoU) on Banking Supervision during the biennial meeting. The update to the 11-year old MoU will mandate better information exchange and cooperation in areas including licensing, crisis management and more.

Singapore's traditional pro-technology agenda has spurred the island nation to become leading global FinTech hub. The mandate is led by the MAS, a central bank that has already tested a blockchain-powered interbank payments platform using its own digital currency. Upon completion of a successful early pilot in March 2017, the central bank revealed details of digitizing the Singapore dollar using an Ethereum blockchain.

https://www.cryptocoinsnews.com/singapore-thailand-central-banks-unite-fintech-deal/

New cryptocurrency hedge fund files to raise $200 million

12/7/17

New hedge fund Cryptocurrency Fund LP has filed to raise $200 million in capital to invest into blockchain-based assets like bitcoin, according to regulatory filings.

The new fund revealed the capital raise in a Form D filing with the U.S. Securities & Exchange Commission. The filing, which lists a Nevada business address for the Delaware-registered fund, was signed by CEO Pavlo Savchuk and dated July 7.

Little else is known about the precise investment plans for the fund, although its website states it will only invest in blockchain-based assets. Whether this means just relatively mature digital tokens such as bitcoin, ether and Litecoin or also initial coin offerings was not immediately available, nor was the specific strategy approach the fund will use when deploying assets. However, the fund will also register as a commodity pool operator with the National Futures Association, Savchuk reportedly told Reuters in an interview.

Savchuk's background includes a short stint as a securities trader for T3 Trading in New York and work as a foreign trade manager for Gresa Group in Kiev.

http://www.finalternatives.com/node/35493

Marine training: ThinCats syncs with SMT to finance growth

13/7/17

ThinCats, an alternative lending industry leader, has joined forces with Edinburgh based Alderburn Finance and specialist marine training and consultants Stream Marine Training (SMT), to provide funds to bring a unique offering to Scotland.

"It was a delight to be able to help SMT finance their ambitious plans for growth. Due to the nature of marine training, finding the perfect facility can be tricky especially when it comes to looking at the cost implications of such a large-scale facility," stated ThinCats CDO Damon Walford. "Initially business funding was largely provided through equity and mezzanine debt but when that was no longer able to help them grow further, alternative lending was the perfect solution for them. I am confident that it won't be long before they have plans for even further expansion."

Reportedly the first of its kind outside of the South of England, SMT is housed in the grounds of Glasgow International Airport where the proximity to the sea provides a wealth of opportunities for local training for marine sector staff. The funding has helped SMT cut both time and overall costs while also allowing them to offer consultancy services to the global maritime, oil and gas, renewables and construction sectors. Comprising a helicopter shell and life boat, ten new classrooms, a technical training suite, a mock helicopter pad for fire training, suite of offices and a canteen, the 18,000ft facility now aims to rival any European marine training provider.

"At SMT, we could grow very rapidly, and provide services that are desperately needed by a range of industry sectors. However, we needed the right funding to enable us to take advantage of the opportunities," indicated SMT CEO Martin White. "Alderburn and ThinCats fulfilled that role extremely well and now we can focus on cementing ourselves as one of the centres of training in Europe. Many thanks to the ThinCats team for their help in taking SMT to the next level and we look forward to a very bright future for SMT."

https://www.crowdfundinsider.com/2017/07/119255-marine-training-thincats-syncs-smt-finance-growth/

The Institutes launches U.S. Blockchain consortium

13/7/17

The Institutes, a provider of educational materials and consulting for the P&C industry, is launching a blockchain consortium with the goal of spurring development of use cases for the technology in the U.S.

The RiskBlock Alliance has a goal of 30 members across the P&C value chain. Potential use cases envisioned by The Institutes include proof of insurance, subrogation, data sharing and risk registries, and parametric insurance.

The Institutes has been getting cozier with blockchain this year. It was a founding member of the Enterprise Ethereum Alliance, a cross-industry effort to create protocols, standards and governance models for the use of private Ethereum networks. Ethereum is one of several distributed computing platforms that make up the blockchain ecosystem.

“The risk management and insurance industry is faced with an increasingly fast moving, innovative and data-driven environment,” said Peter L. Miller, CPCU, president and CEO of The Institutes. “Insurers have varying levels of knowledge about blockchain, and the key to making this technology work in our industry is ensuring that members work together. This is why The Institutes have formed the consortium.”

Digital disruption is spurring insurers to collaborate more than ever across company lines to explore emerging technologies. The Institutes' move comes about a year after five insurers in Europe formed the blockchain alliance B3i. In addition, the insurtech Roost and Willis Towers Watson are recruiting insurers for a Home Telematics Consortium that will aggregate data and develop products around smart-home devices.

https://www.dig-in.com/news/the-institutes-launches-us-blockchain-consortium?brief=00000159-faf0-d111-af7d-fbfd9f0a0000

Sydney and Melbourne launch fintech start-up hubs

13/7/17

It's a double development delight in Australia with Sydney and Melbourne unveiling fintech start-up hubs for innovation across the nation.

Industry body FinTech Australia says Sydney's proposed new 11-floor start-up hub – set to be the largest in the southern hemisphere – "should help build even stronger links between the Australian fintech industry and global markets".

FinTech Australia CEO Danielle Szetho states that Jobs for NSW, a private sector-led and New South Wales Government-backed initiative, would invest $35 million into the facility, which will create up to 6,500 jobs and contain enough floor space to spread over the size of two football fields.

The sweet news from Sydney follows on from the Victorian Government revealing in June that it would be establishing a fintech hub at the Goods Shed North in Melbourne's Docklands.

Szetho says these developments "clearly prove there is united support for fintech across both Federal and State governments and from both sides of politics".

Two of FinTech Australia's members, the Stone & Chalk fintech hub and Tank Stream Labs, have been confirmed as tenants in the new Sydney facility.

Stone & Chalk has announced that it will house up to 600 residents across 4,252 square metres of secure labs, co-working, meeting and collaboration space at the Sydney hub. This represents an increase in residential capacity of more than 70% compared to its current space.

According to FinTech Australia, the Sydney hub is expected to open in late 2017 or early 2018, with the Melbourne one following a similar timeframe.

Come What May

Australia has been pushing fintech (and regtech) firmly up the agenda.

In May, two fintech groups in the country welcomed the Australian Securities and Investments Commission's (ASIC) initiative for more regtech innovation.

While in the same month, the 2017-18 Australian budget brought in some useful initiatives for the fintech scene. Some of the positives include open financial data reforms, reduced barriers for banking licences, an expanded regulatory sandbox and digital currency tax cuts.

http://www.bankingtech.com/907341/sydney-and-melbourne-launch-fintech-start-up-hubs/

Discover links with Gulf Pay in Preferred Payment campaign

13/7/17

Gulf Pay, the mobile payment app from Gulf Oil L.P., is offering consumers who link their Discover cards to the app a 15-cents per gallon discount through Oct. 15. The promotion, announced Thursday, is valid at participating stations in New England and New York.

Gulf Oil announced Gulf Pay in February. The app, which is expected to eventually work with Mastercard Inc.'s Masterpass digital wallet, is built on technology from P97 Networks Inc.

Gulf Pay enables consumers to pay at the pump without having to insert a credit or debit card into the pump's reader. The app uses tokenized card data that is encrypted. The app also features a station locator function, live pricing, directions, and special offers.

"By teaming up with Discover this summer, we can provide increased security and exclusive savings to an already loyal and growing group of existing cardholders with Gulf Pay," Marg McDonnell, Gulf Oil senior director of credit card operations, said in a press release. "This campaign allows us to incentivize more motorists to choose Gulf and Discover and ultimately drives more traffic into our stations."

Both Discover and Gulf Oil will advertise the promotion with materials at fuel stations, digital and radio advertisements in the New England market, and e-mail and social messaging campaigns.

Gulf Pay is available for iOS and Android smart phones.

http://www.digitaltransactions.net/news/story/7242

European fintech consortium launches LiquidShare, supporting SMEs

14/7/17

The European Fintech space has seen its newest entrant, with a consortium of leading exchanges and banks teaming up to launch LiquidShare. The new independent startup constitutes a collaborative effort, over a year in the making, that has been working to develop a post-trading blockchain infrastructure for the Small and Medium Enterprise (SME) market.

SME's access to capital markets has been one area of emphasis amongst many fintech firms. LiquidShare's mandate will be to help streamline and ultimately support this access, along with the transparency and securities of post-trading operations using blockchain. Other industry initiatives had made similar success in this rapidly growing space recently, including Deutsche Borse's Venture Network, which facilitated a successful IPO from NAGA Group this week.

LiquidShare is one of the more comprehensive collaborations to date, with the group constituting efforts by BNP Paribas, CACEIS, Caisse des Dépôts, Euroclear, Euronext, S2iEM, and Société Générale with the support of Paris EUROPLACE. The group will help mitigate transaction costs for SMEs, while also leveraging functional and technical expertise with a wide range of innovative solutions to work towards its goals.

In addition, LiquidShare will be exploring and harnessing blockchain technology – this will see a focus on virtual ledger technology that assembles data for shared distribution between many different users. This technology could prove to be one of the most pivotal in the industry moving forward, given its potential to simplify the chain of post-trade operations.

Veteran leadership

The group itself will be installed in a Parisian incubator, deploying numerous industry experts to help jump start the program and better support the platform. As such, LiquidShare will be led by Thibaud de Maintenant, who has been appointed as Chief Executive Officer of the startup.

Euronext will also be lending its human capital to the project, tapping Anthony Attia, Managing Board member of Euronext, as LiquidShare's Chairman of the Supervisory Board.

Mr. de Maintenant commented on the creation of the group: "With the launch of LiquidShare, we will use the great potential of the blockchain technology to become a key player in the post-trade industry. Supportedby shareholders across the European financial market ecosystem, this initiative is the first of its kind."

http://www.financemagnates.com/fintech/news/european-fintech-consortium-launches-liquidshare-supporting-smes/