



Fintech Small Business Lending

Usman Ahmed, Head of Global Public Policy • November 13, 2018


PayPal *Working Capital*

PayPal and Small Business

Intuitive Customer Interface

Online • In-App • In-Store

Open-Source Technology Platform

PayPal Processing <small>Check out with </small>	100% Payment Processing	Contextual Commerce	Rewards	Transactional Credit	Invoicing & Reporting	PayPal Working Capital
Customer Service	Seller Protection	Visitor to Sales Conversion	Risk Services	Payouts	Omni Solutions	Seamless Identity Sign-On

RISK CAPABILITIES

CUSTOMER SERVICE

SCALABILITY

AVAILABILITY

COMPLIANCE

DATA

Sample repayment and pricing options

Example: Business with \$100,000 in annual PayPal sales, seeking maximum loan amount. Pricing will vary, depending on your business's sales

①	Portion of sales to PayPal / to you	②	Loan Fee	③	Loan Amount	④	Total to be repaid
<input type="radio"/>	10% / 90%	\$947	\$8,000	\$8,947			
<input type="radio"/>	12% / 88%	\$767	\$8,000	\$8,767			
<input checked="" type="radio"/>	15% / 85%	\$594	\$8,000	\$8,594			
<input type="radio"/>	20% / 80%	\$431	\$8,000	\$8,431			
<input type="radio"/>	30% / 70%	\$281	\$8,000	\$8,281			

Your Loan History

This is a collection of all of your loans with this account.

[+](#) Current Loan from 05/04/2016

[Download contract](#)

[-](#) Loan from 08/04/2015 to 05/02/2016

[Download contract](#)

Loan Amount: \$19,500

Payment Duration: 273 Days

Fee: \$2,205

Number of Payments: 267

Total Amount Paid: \$21,705

Average Daily Payment: \$79.51

% of Sales as Payment: 20%

Your Total Sales: \$109,743.14

My Account Tools 

[Dashboard](#)[History and contracts](#)[My PayPal account](#)[Make a payment](#)

Have a question? 

We're here to help

[FAQs](#)[Contact us](#)

How did we do?

[Take our satisfaction survey](#)

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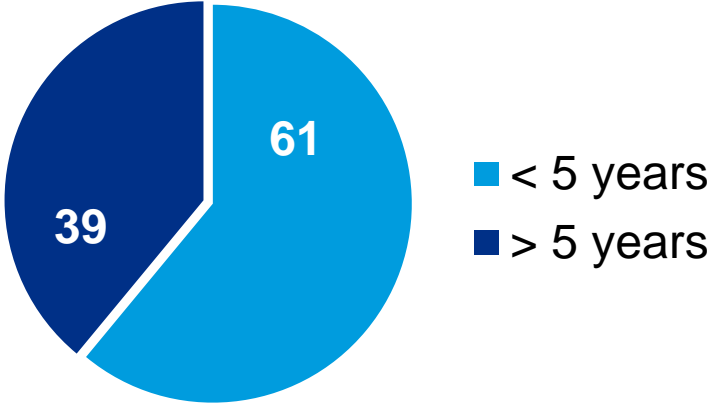
Filling the Gap

How Technology Enables Access to Finance for Small- and Medium-Sized Enterprises

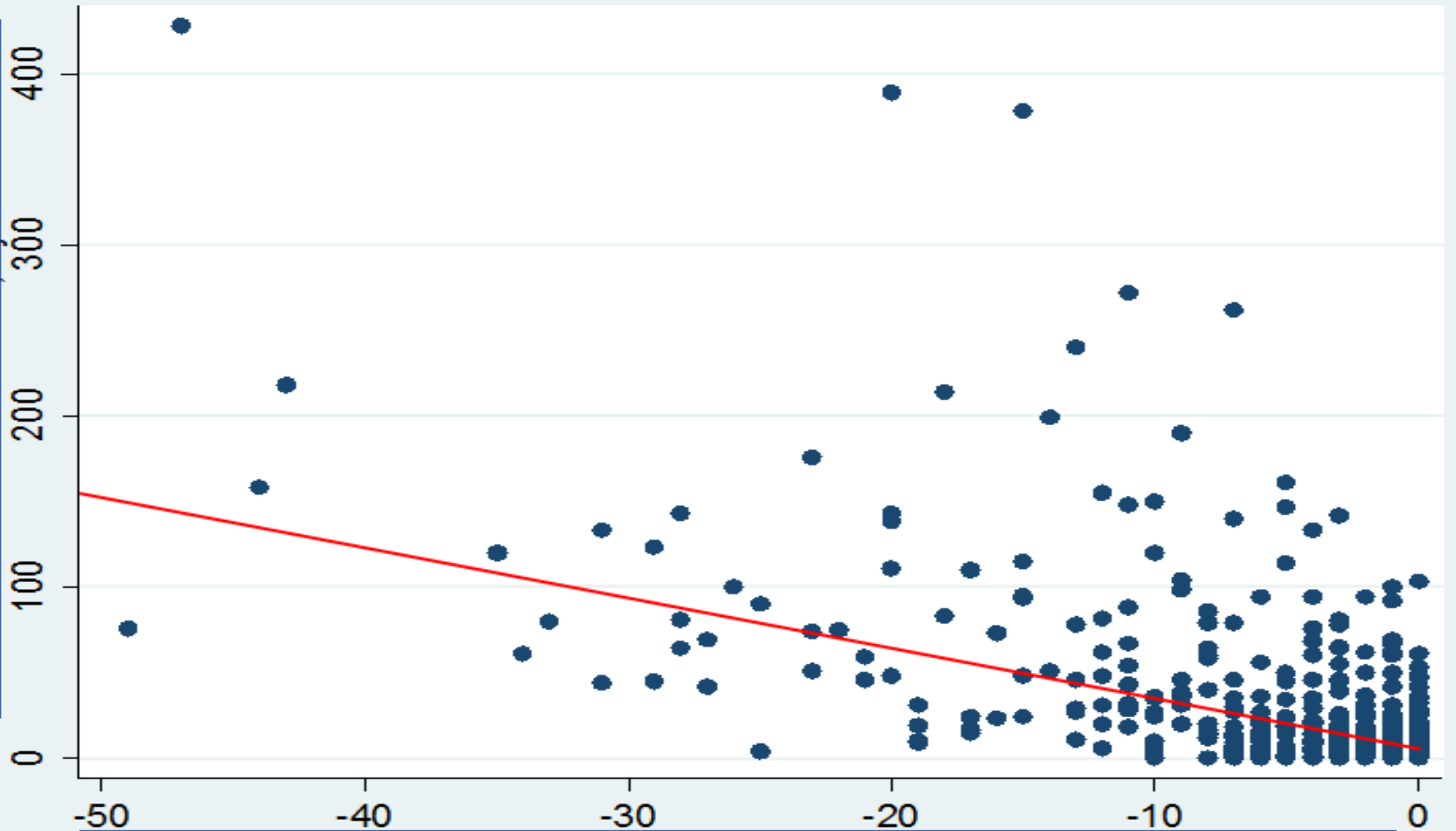
Small- and medium-sized enterprises (SMEs) account for more than one-half of the world's GDP and employ two-thirds of the global workforce.¹ The number one barrier to growth faced by SMEs around the globe is access to financing.² This is not a new issue, as the onerous information, administration, and collateral requirements associated with traditional loans have inhibited SMEs from seeking or securing financing.

Type of business	All firms	Startup (<5 years in business)	Grower (profitable and increasing revenues)	Mature (>5 years in business; 10+ employees; holds debt)
Credit demand and credit outcomes				
Discouraged from applying	20%	22%	4%	4%
Approval rate of those that applied for loan	54%	38%	74%	93%
Source: Joint Small Business Credit Survey Report, 2014, Federal Reserve Banks of New York, Atlanta, Cleveland and Philadelphia, Feb. 2015.				

PPWC Firms

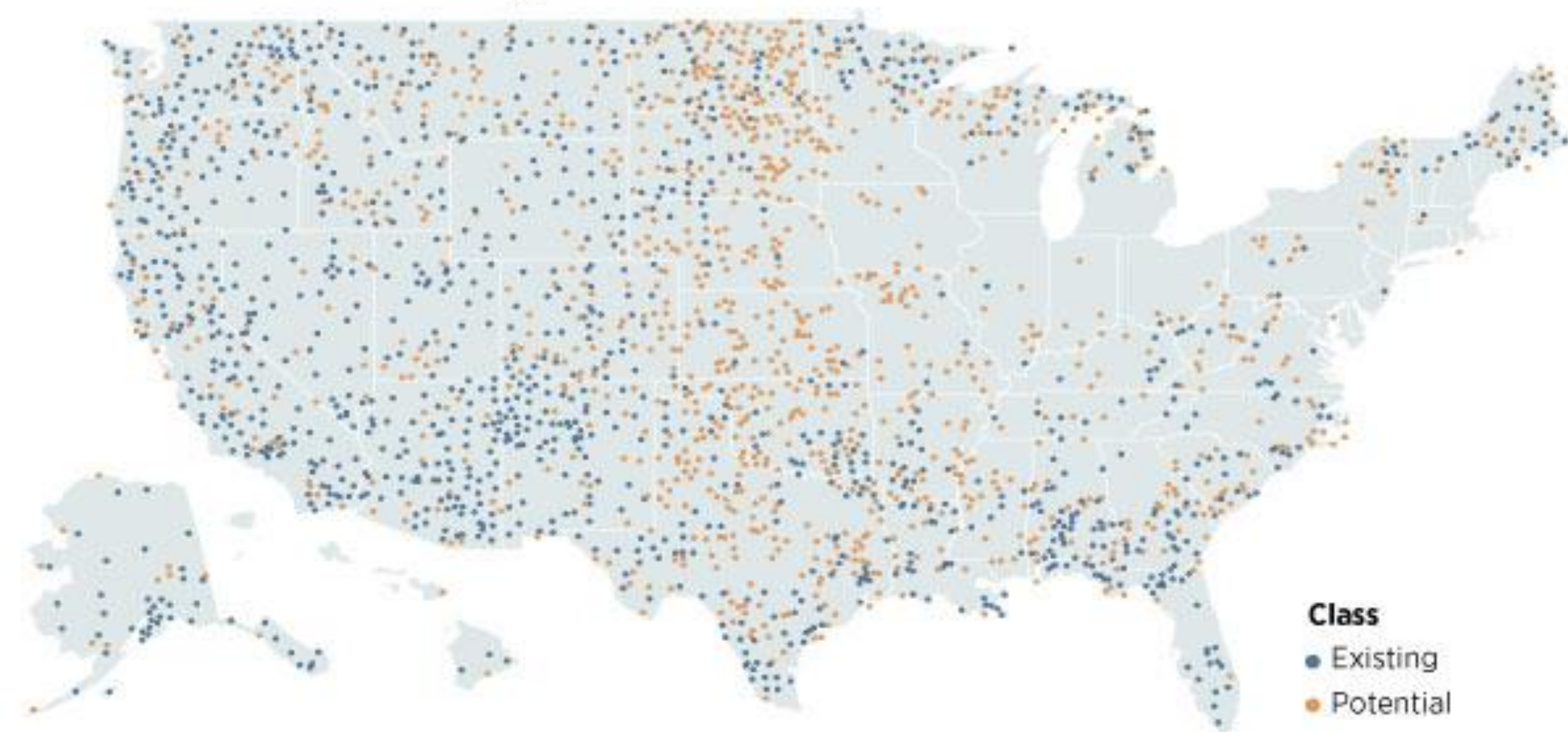


Number of PPWC loans, by county



Decline in the Number of Retail Banks, by county

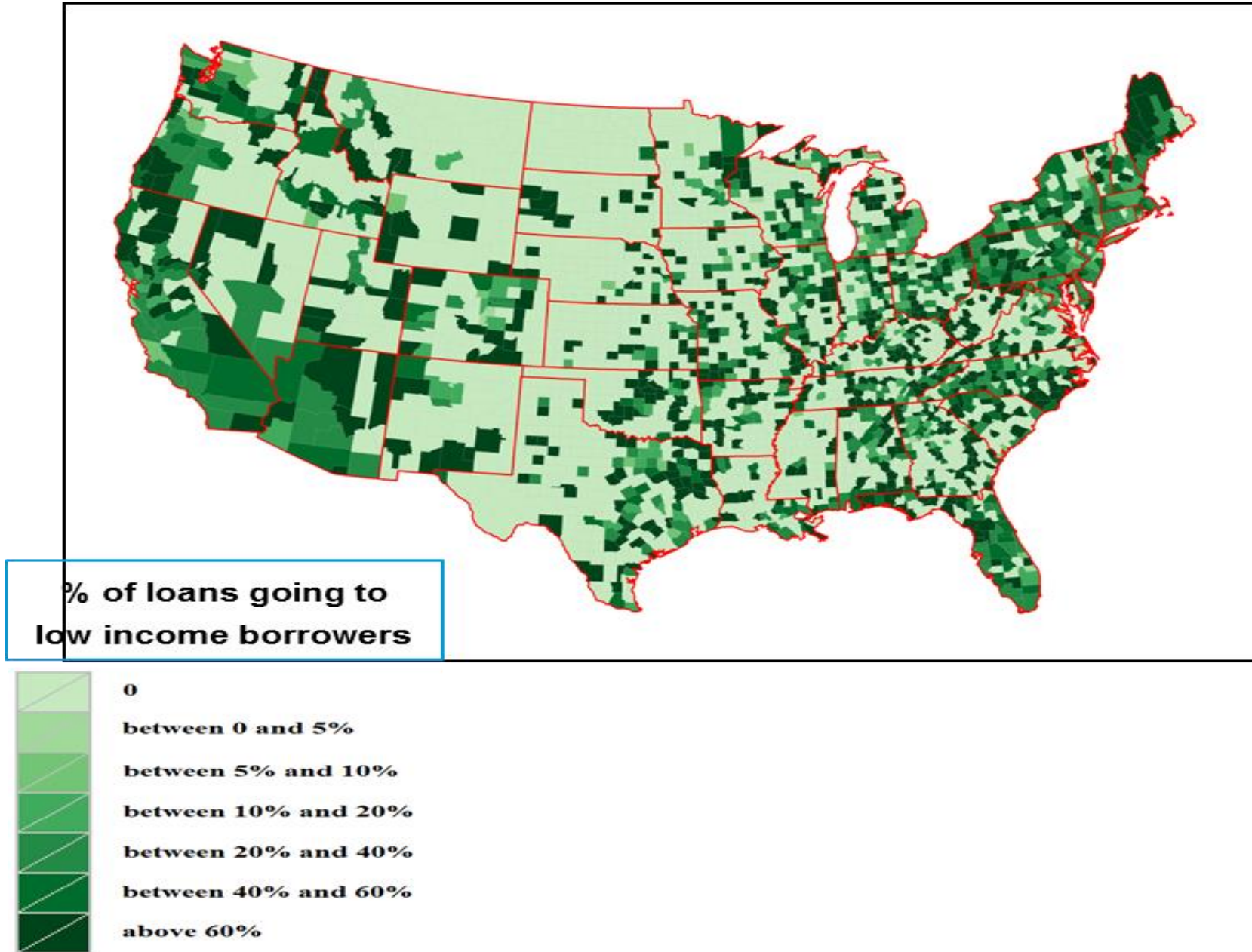
The Location of Banking Deserts



SOURCES: Morgan et al. (see references), CASSIDI and authors' calculations.

■ FEDERAL RESERVE BANK OF ST. LOUIS

Percentage of PPWC Loans to Low and Moderate Income Businesses (by county)



The Most Economically Distressed Zip Codes in America by State and Population Density

PACIFIC

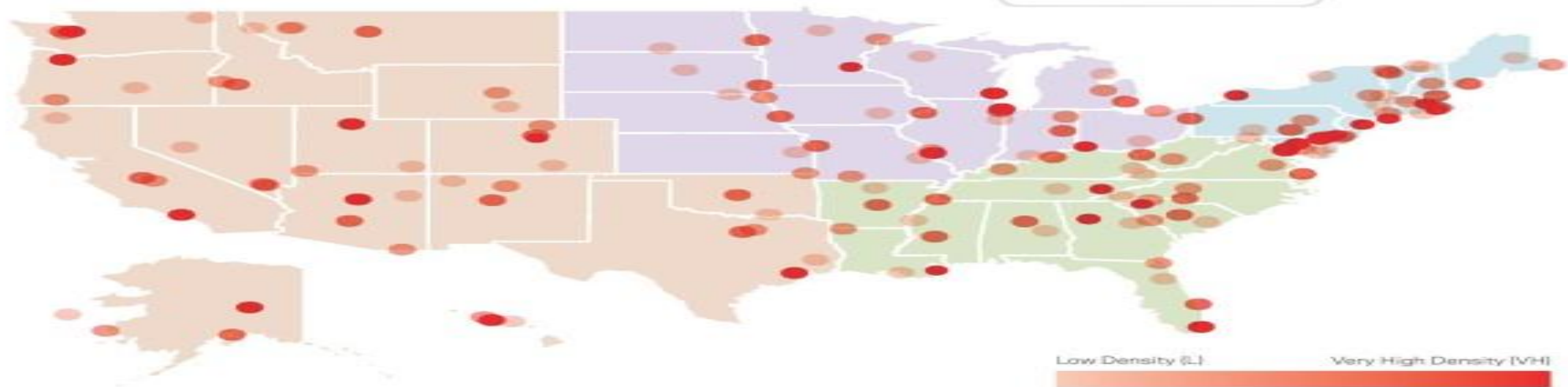
Alaska					
99769	Savoonga	L	Nevada	Schurz	L
99563	Chevak	M	89115	Las Vegas	H
99508	Anchorage	H	89030	N. Las Vegas	H
99775	Fairbanks	VH	Oregon		
California			97841	Christmas Vly.	L
95546	Hoopa	L	97501	Medford	M
93235	Ivanhoe	M	97204	Portland	H
93701	Fresno	H	97209	Portland	VH
90059	Los Angeles	VH	Washington		
Hawaii			99138	Inchelium	L
96770	Maunaloa	L	98439	Lakewood	M
96792	Waihee	M	98337	Bremerton	H
96817	Honolulu	H	98104	Seattle	VH
96826	Honolulu	VH			

PLAINS

Iowa					
50268	What Cheer	L	Missouri		
51101	Sioux City	M	63071	Richwoods	L
52801	Davenport	H	65740	Rockaway Bch.	M
Kansas			64127	Kansas City	H
66529	Quenemo	L	63108	St. Louis	VH
66105	Kansas City	M	Nebraska		
66101	Kansas City	H	68760	Niobrara	L
Minnesota			68110	Omaha	M
55633	Cass Lake	L	68111	Omaha	H
55802	Duluth	M	North Dakota		
55411	Minneapolis	H	58538	Ft. Yates	L
55454	Minneapolis	VH	58102	Fargo	M
			58103	Fargo	H
			South Dakota		
			57536	Harold	L
			57104	Sioux Falls	M
			57103	Sioux Falls	H

GREAT LAKES

Illinois					
60958	Pembroke Twp.	L	Michigan		
62204	E. St. Louis	M	48770	Whittetmore	L
60472	Robbins	H	48505	Flint	M
			48214	Detroit	H
60624	Chicago	VH	Ohio		
Indiana			45854	New Plymouth	L
47116	Eckerty	L	44127	Cleveland	M
46803	Ft. Wayne	M	44507	Youngstown	H
47305	Muncie	H	45219	Cincinnati	VH
			Wisconsin		
			54530	Hawkins	L
			53224	Milwaukee	M
			53206	Milwaukee	H
			53204	Milwaukee	VH



NEW ENGLAND

Connecticut					
06018	Canaan	L	Maine		
06418	Derby	M	04457	Springfield	L
06607	Bridgeport	H	04631	Eastport	M
06608	Bridgeport	VH	04101	Portland	H
Massachusetts			New Hampshire		
01247	N. Adams	L	03590	N. Stratford	L
01009	Bondsville	M	03246	Laconia	M
01608	Worcester	H	03060	Nashua	H
01610	Worcester	VH	Rhode Island		
Vermont			02813	Charlestown	L
05846	Island Pond	L	02838	Marietta	M
05403	S. Burlington	M	02860	Portsmouth	H
05401	Burlington	H	02909	Providence	VH

MID-ATLANTIC

Delaware					
19941	Ellendale	L	District of Columbia		
19706	Delaware City	M	20019	Washington	H
19801	Wilmington	H	20020	Washington	VH
19717	Newark	VH	Maryland		
Virginia			21861	Sharptown	L
24237	Dante	L	21671	Tilghman	M
23219	Richmond	M	21223	Baltimore	H
23607	Newport News	H	21217	Baltimore	VH
22311	Alexandria	VH	New Jersey		
West Virginia			08346	Newtownville	L
25422	Great Cacapon	L	07114	Newark	M
25879	Minden	M	08102	Camden	H
25703	Huntington	H	07108	Newark	VH
			New York		
			13665	Natural Bridge	L
			12207	Albany	M
			14212	Buffalo	H
			14201	Buffalo	VH
			Pennsylvania		
			16674	Robertsdale	L
			17976	Shenandoah	M
			17103	Harrisburg	H
			19121	Philadelphia	VH

ROCKY MOUNTAINS

Colorado					
81069	Walsenburg	L	Idaho		
80631	Greeley	M	83868	Smalterville	L
80030	Westminster	H	83605	Caldwell	M
80203	Denver	VH	83704	Boise	H
Montana			Utah		
59845	Hot Springs	L	84534	Montezuma Crk.	L
59855	Pablo	M	84770	St. George	M
59401	Great Falls	H	84115	Salt Lake City	H
			84102	Salt Lake City	VH
Wyoming			82327	Hanna	L
82644	Mills	M			

SOUTHWEST

Arizona					
85444	Franklin	L	New Mexico		
85620	Naco	M	87037	Nageezi	L
85301	Glendale	H	87567	Santa Cruz	M
86011	Flagstaff	VH	87102	Albuquerque	H
Oklahoma			Texas		
74731	Cartwright	L	77369	Rye	L
74339	Commerce	M	75215	Dallas	M
73109	Oklahoma City	H	76105	Ft. Worth	H
			77081	Houston	VH

SOUTHEAST

Alabama					
38444	Franklin	L	Kentucky		
35234	Birmingham	M	41660	Teaberry	L
35254	Birmingham	H	42440	Mortons Gap	M
			40203	Louisville	H
Arkansas			Louisiana		
72639	Harriet	L	70523	Charenton	L
72209	Little Rock	M	71021	Cullen	M
72205	Little Rock	H	70112	New Orleans	H
			70116	New Orleans	VH
Florida			Mississippi		
32112	Crescent City	L	38725	Benoit	L
32206	Jacksonville	M	39209	Jackson	M
34950	Ft. Pierce	H	39203	Jackson	H
33128	Miami	VH	North Carolina		
Georgia			28783	Tuckasegee	L
30821	Norwood	L	27014	Coolesee	M
30901	Augusta	M	28212	Charlotte	H
30315	Atlanta	H			
30313	Atlanta	VH			



KEY					
State	ZIP Code	City	Population Density	L = Low Density	H = High Density
				M = Medium Density	VH = Very High Density

