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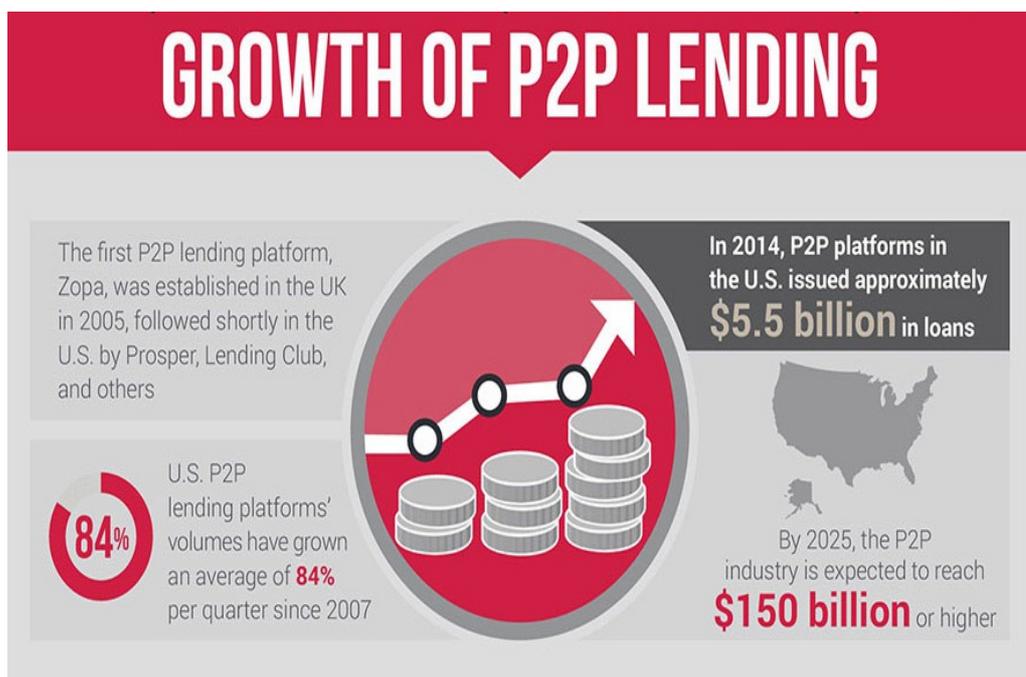
# Know How & Why Developing P2P Lending Apps Benefit for Startups and Entrepreneurs?

With the evolution of P2P lending, it has created a world of opportunities for the web and mobile app development. Many applications were built and are successfully used to start companies that later become huge. Of course, there are banks that are good for loans, but the conditions are often too strict for new businessmen who believe in their ideas but have nothing to put on the scales. More to that, visiting a bank takes time for both parties, requires paperwork and often takes loads of time.

In the meantime, peer-to-peer allows lending money without leaving your present place. At first, it grew very popular in the fintech world, then spread around to other industries. Platforms created for such purposes are already known and trusted, and there is a big demand for convenient applications of this sort. So, now it might be the perfect time to develop your own P2P lending app.

The benefits of developing P2P lending for startups are not always on the surface since they usually go hand in hand with special pains. In this article, we will cover how p2p lending benefits to startups and show why it can be good for your business.

P2P lending has already become quite mainstream over the past years and we have seen some tremendously successful campaigns that got funded fast in almost no time. Below image will help to give clear data about how P2P lending is increasing its growth chart.



## P2P Lending Statistics

The P2P lending industry dates back to 2005 when the first platform, Zopa, was launched in the UK. Shortly thereafter the Lending Club and Prosper, among others, were launched in the US. Since 2007, the volume of transactions via US-based P2P

lending platforms has grown by 84% with loans worth \$5.5 billion issued in 2014 alone. By 2025, the P2P lending industry will reach \$150 billion or more. Some of the leading players in the P2P SMB lending space include Kabbage, Funding Circle, and OnDeck. OnDeck went public in December 2014 and boasts a market valuation of \$1.8 billion, while Kabbage has raised \$135 million in seed funding at a valuation of \$1 billion. The Funding Circle has raised \$150 million from investors at a valuation of \$1 billion.

Now, let's drive down to know why you need to develop P2P lending apps.

## #1. Streamlined application process

What makes P2P lending win over a bank loan is a simplified application process. P2P lending platforms provide direct interaction between borrowers and lenders.

Borrowers sign up and describe the purpose of their loan in as many details as possible to make it more clear and attractive to lenders. They can also check the interest rates directly on the portal or applications and get an idea of how much they will need to repay.

The platform usually performs all the necessary checks quickly and makes your project available for investing in no time. Peer to peer marketplaces usually asks for: Your personal information.

- » The loan amount.
- » Your credit score.
- » What the loan is for.
- » Your income range.

If you apply for a business loan for your startup, you may be asked to give details of your business financials including- balance sheets, tax returns, and profit and loss statements.

## #2. Get funded quickly

The funding speed depends, but it's highly possible to get your goal completed in 1-2 weeks. Unlike banks where the process can last for weeks on end, peer to peer loans is more transparent.

## #3. Better interest rates

There are many different ways to determine interest on peer to peer marketplaces. P2P marketplace sets the interest rate according to the requirements it specifies.

Flexible rates to match demand and supply – the rates may move up or down depending on the recent demand and supply activity.

Here, if we compare with traditional ways to get funding, the interest rates in P2P lending are much lower. The interest is what makes the lender happy.

Just like with online shops, P2P lending apps don't need to maintain the place and administration costs to pay. Hence they can afford more attractive conditions than banks.

## #4. Quick access to funds

The platforms usually provide a convenient way to access funds through a mobile application or desktop. The borrower can choose the amount to be taken, review repayment schedule, and get the money transferred to their bank account within 1-3 business days.

Repayments are also managed quickly and can be consolidated into a short time payment, so there is no need to remember all payment schedules.

## #5. Other Benefits

Small businesses also benefit immensely because they can easily access funding even with a poor credit history. Additionally,

the minimal paperwork involved means fewer bureaucratic processes.

Another major benefit is the lower likelihood of loan denial. Finally, the peer-to-peer lending model is predicated on a simplified customer experience. For instance, most P2P financing platforms are accessible via dedicated mobile apps, meaning investors can review funding applications while borrowers can check interest rates and application updates from the comfort of their homes.

## The Closing Thought

P2P lending apps for startups is an excellent alternative to a traditional loan from a bank and is well suited for small businesses and startups.

Advantages and disadvantages of peer to peer lending are numerous and quite evaluated and weighed out before jumping into it. Advantages include quick online application, secured loans, fixed monthly payments, checking rates without affecting the credit score, lower interest rates, fast access and flexible use of money, no early payment fees.

Compared to borrowing funds from a traditional lender, P2P loan application and processing is much faster. In fact, most loan applications are approved or denied almost instantly and those that make it through the approval stage are usually processed within two weeks. The collective funding approach underpinned by the P2P lending model protects investors from crippling financial losses.

As with any business innovation, modern peer to peer lending is driven by technology. Fintech innovators stand to both profit and make a positive difference in the world. Hence, developing a P2P lending apps makes your work free and comparatively more benefits than the traditional system.

## How Coruscate Can Help You To Develop Application?

If you're planning to develop a P2P lending app for your business, or need to update your existing business, then the first step is obvious. You need a technology partner. A team of developers who understand the tech, the industry, and can help bring your vision to reality.

Coruscate is a technology-driven and customer-centric solution provider. Our **mobile app development** company is an expert not just in P2P lending app development but also host other technologies to be in flow with the modern business.

To get started just drop in inquiry, our consultant will be in touch ASAP.