LEND ACADEMY

PODCAST TRANSCRIPTION SESSION NO. 165 / JOE TOMS

Welcome to the Lend Academy podcast, Episode No. 165. This is your host, Peter Renton, Founder of Lend Academy and Co-Founder of LendIt Fintech.

Today's show is sponsored by LendIt Fintech USA 2019, the world's leading event in financial services innovation. It's coming up on April 8th and 9th, 2019, at Moscone West In San Francisco. We've recently opened registration as well as speaker applications. You can find out more by going to lendit.com/usa

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Peter Renton: Today on the show, I'm delighted to welcome, Joe Toms, he is the President of Freedom Financial Asset Management. Now I've known Joe a long time, he's one of the first people I met in this industry back when he was at LendingClub back in 2010. Full disclosure, Joe is also an advisor to Cardinal Rose Group which is the parent company of Lend Academy and LendIt so we've had a relationship in that capacity for many years as well, but I wanted to get Joe on the show.

Freedom Financial has been around for quite some time and Joe really has headed up the Freedom Financial Asset Management, sort of their lending arm, but they also have Freedom Debt Relief; we get into the details. Joe actually explains in some detail all of the different pieces of the company, the history. He also talks about the challenges they've had with the actions from the FDIC and the CFPB. We talk about that in some depth as well and we also talk about the investment side of the business and how that's been going. It was a fascinating interview, I hope you enjoy the show.

Welcome to the podcast, Joe!

Joe Toms: Thank you, Peter, glad to be here.

Peter: So I like to get these things started by giving the listeners a little bit of background about yourself. You have a very interesting background in many ways because you've been in this industry longer than just about anybody so why don't you give us some background about what you've done, so far.

Joe: Sure, so I started my career in the early 1980's in the asset management business, specifically with a firm called Fisher Investments run by a guy named Ken Fisher. Many of you probably see Ken Fisher's ads all the time and we started back in the day when it was Ken, myself and a couple of other people and about $5 million under management and basically from that point built a pretty good sized institutional money management firm.

I spent my career from essentially the early 1980's all the way up to 2010 in the asset management business running money for large institutional accounts and fixed income, equities alternative investments and purely by happenstance, happened to be introduced by a mutual friend in 2010 to Renaud Laplanche, obviously the Founder and the original CEO of LendingClub and had the opportunity to hear what was a fabulous story and it really intrigued me. Long story made short, ultimately ended up joining LendingClub, worked with Renaud for about a year, then went to Prosper, worked there for close to two years before joining Freedom in 2013.

So career really focused on asset management thinking about long term trends, thinking about how you invest capital in different asset classes, how you assess risk, how you assess return, how you assess opportunity and then applying all of that, if you will, to the unsecured consumer lending space led by the fintech companies, LendingClub and Prosper, now Freedom.

Peter: Sure, interesting. Just as an aside, I think the very first thing I ever listened to in this industry when I started to get more interested in it was it was a webinar that you were on when you were at LendingClub. I think it was back in 2010 and it was...I can't remember who else was on it, but it was eye opening to me learning about sort of what the investment strategies you guys were talking about back then. I'm sure it has been fascinating for you to watch it go from this tiny little organization or tiny little industry, for that matter, into where it is today.

Joe: It's been an amazing story, an amazing journey, I don't think...you know, I think it's still early innings, Peter, I think it's probably third inning, second inning, maybe fourth inning, but it certainly isn't the ninth.

Peter: Right, right, for sure. So then what attracted you to Freedom? You've done stints at LendingClub and Prosper and then Freedom is a little bit different to those two companies so what really attracted you to take up this role at Freedom?

Joe: Yeah, so I want to step back for a second and describe sort of a scenario or some examples and then I think by doing that, that'll answer the question in a more direct way. So one of the things that we used to always challenge our equity teams and analysts to do is to try to understand what makes great companies. Obviously great companies come from a couple of things. They produce a product or a service or whatever it may be that consumers or customers, whether they be companies or individuals, clearly need.

They obviously have great strategy so they have great products, great strategy and great execution, but there's another part of it that's not as clear until you really spend time studying companies over the last...literally over the last hundred years and that is that they're typically in front of a major secular wave of change. That secular wave allows them to basically use their superior product, strategy and execution, but also lets them make mistakes because everybody makes mistakes, but the power of the wave carries them further and let me give you some examples.

Think about McDonalds, so Ray Kroc sits there and understands that the interstate development, a highway interstate development of the 1950's means people are going to be driving from Des Moines to Chicago, from Chicago to Detroit and that they're going to be hungry and there's going to be a whole interstate process where there's a bunch of exits and if he could put quality food at those exits then he had a real opportunity to grow. Of course, we know the story of McDonalds, it was a very successful growth company.

Boeing with air travel, same kind of concept...okay, people are going to spend more time traveling both domestically, but internationally and they need high quality planes. Think about General Electric and the whole industrial revolution. Even though General Electric has clearly had problems recently, it rode a major secular wave in the industrialization of the United States.

Most recently, we see things like Facebook, Google, slightly different reasons, but same basic concept. So when I thought about that in the context of this business and you think about what is really happening with the consumer today, what you come to understand is that the consumer, if you look at their balance sheet, it tells a different story than what might be apparent. Some people understand this, but here's what I'm trying to say...if you look at the consumer balance sheet since the 1950's, even post 2008, it's become extremely leveraged and so when you think about the solution to leverage, lending can not be the sole answer to helping.

In other words, some people can and should take on debt of different types or even potentially more debt, but other consumers should not take on any more debt. In fact, they need to restructure their balance sheets and get themselves back to a position where they can be financially more secure and LendingClub and Prosper were great ways to revolutionize and lower the cost of capital to people who needed more debt or could consolidate debt, but it was half, if you will, the solution.

The other half was how do you fix consumers who are over levered, have too much debt, how do you bring them back to a healthy condition and if you study that...as I said, the macro data literally, I would argue to you, out of a hundred consumers, literally close to 70% of them shouldn't take on any more debt. They need to find different restructurings or lowering their cost of debt, however you would like to say it and so the appeal to me about Freedom was it was both sides of that line.

It could take consumers and then say, if you can afford to take on debt and should take on debt or consolidate debt, we can do that. If you are in a position where actually you just fundamentally have too much debt, you're unhealthy now, we can help you become more healthy and get you back in the financial mainstream. So I believe that's going to be a major secular wave over the next decade of which I will translate into the terms financial wellness.

How do you get a consumer into a better position, how do you make them more financially well and that requires sort of, if you will, a number of different techniques and the beauty I think of the Freedom companies, and we'll talk more about this in a minute, is they have the ability to do multiple things to help a consumer return to health.

Peter: Right, right. Okay, so let's dig into that. I want to talk a little bit about the company and maybe you could explain some of the history behind the company and I know there's three divisions to your company so tell us a little bit about that.

Joe: Yeah, so let's start at the high level, tell you sort of who we are in terms of the divisions and I'll tell you a story of how we sort of got here.

So the Freedom Financial Network is, in essence, exactly that. It's a network of companies that are designed to help consumers get back to financial health. The company's three divisions are Freedom Debt Relief which is a debt settlement company and I'm sure we'll talk more about that in a minute. That was actually the starter and I'll come back and explain the history behind that. Freedom Financial Asset Management which is the lending division, which is the division I run and then Bills.com which is a small consumer lead gen company that really focuses on prime consumers and mortgages.

The company was started back in 2002 by Brad Stroh and Andrew Housser who were graduate classmates at Stanford and if you recall back in 2002, it was post recession and the internet bubble had burst. As Andrew and Brad like to say, if they had been only there two or three years earlier graduating they could have put out a PowerPoint and raised $30 million and started some great company, but in 2002, there was no chance of that and they will also tell you that was the greatest thing in the world that have ever happened to them and I'll explain why in a minute.

What they realized is as they looked around saying what are we going to do and obviously, because of the recession, because of the internet collapse, the opportunity set was different, they realized they had to fundamentally land on principles that they would live with for the rest of their life. The first thing that they realized is that really was represented by what we use still today in the company, what we call "the heart and the dollar sign."

The heart is the notion that we need to do something that we feel good about, that we know our customers feel good about and that because we feel good about it and our customers do, we can show up at work every day with a smile and excitement to go do what we need to do that day.

The second is the dollar sign, we have to be able to make money at it because ultimately, this is a capitalistic society, companies thrive on those that are profitable and successful and that the combination of being successful and profitable with loving what you do is a pretty powerful combination.

So they kept hunting around trying to figure out what they were going to do, lo and behold this opportunity landed on them in a way that they didn't anticipate. Andrew had a friend at Stanford Graduate Business School who managed somehow to get himself over his head in debt, about $30,000 of debt and the fellow was a bright guy, but he got himself in some trouble and he couldn't pay the $30,000 in debt. He was getting harassed and told, you know, you're going to owe us all of this money and he finally turned around and said, can I negotiate and they said, yes.

And the net net of that was he ended up settling for a significant amount less than $30,000 and for Andrew as describes that moment, the light bulb went off. It's like, oh my God, this guy is a smart guy, he still got himself into trouble, but he was able enough to sort of do this on his own. How many American consumers, A) even knew that opportunity existed, B) would even know how to go about and do it and C) if you looked at the data, the data we talked about earlier, all showed, if you will, up to the right growth charts of excess of debt for each individual consumer. He said this is going to be likely a major problem for consumers.

And so he and Brad said, wow, this could really be a powerful idea and they literally, in Andrew's apartment, sat there and threw together a website. Andrew personally built the website, they happened to have a friend that was at the time working at Google AdWords and he said, look, here, put on an ad here and see what happens. So it's Sunday night, they created an ad saying we can help you with your debt problems, they turned on the switch and as Andrew said, he woke up the next morning with hundreds of emails in his email box.

So they started reading through the emails and the emails were all signs of real desperation from consumers saying, oh my God, I can't pay my bills, I'm really afraid I'm going to lose my house and I'm going to lose my family, all the kinds of hardships that you'd expect from people who have too much debt. So they called these people trying to understand what they were doing or what kind of service they could hold and literally they tell the story of people saying, look, anything, can you please just help me out, I'll send you a check today, please just help me, you seem like smart guys, I need help.

And they realized at that point that that was really a substantive and real opportunity and thus Freedom Debt Relief was born in 2002. Now that company grew from 2002 and in 2006, Bills.com was added. That thought process there was to add a lead generation, consumer education site focused mostly on mortgage because obviously mortgage is a big percentage of the consumer landscape. Then in 2013, we added the lending division, Freedom Financial Asset Management, to complete this picture of a more holistic approach to financial wellness.

So today when you think about the company, Freedom Financial Network, and what we are today, we see ourselves and where we're going as really a financial wellness company. What we want to be able to do is have any consumer come to us and say, here, take my health check, financial health check, i.e. credit, how much debt you own, your credit statistics, your income, your personal situation, and allow us to design, if you will, the best solutions to get you to a more stable financial position and it's something that we sort of think in the terms of the big picture…you know, I know, if you turn on the television you see all of these advertisements for retirement and retirement savings or retirement advice.

When are you going to retire, whether it's Prudential, T. Rowe Price, you know, you go through the list, a plethora of ads associated with helping you with your retirement, but here's the weird part. If you actually study the data, the average American consumer does not have an asset problem, they have a debt problem and yet how many times do you see advertisements that say, hey, we're advertising to you as a consumer to help you better manage your liabilities side of your balance sheet or your debt side of your balance sheet and the answer is we don't believe that exists.

Really what the company aspires to be is that liability coach, to be that company that is in essence a holistic debt solution, a company that allows consumers to better manage their liability side of their balance sheet which we feel, mostly if it's true, most consumers need more than anything else.

Peter: Right, right. Okay, so I do want to talk about the debt settlement side just for a little bit then we'll get to the asset management a little bit later. I understand how the debt settlement process works, but what I'd like to know is if someone comes to you and you can see they're over their head, they can't even meet the minimum monthly payments on their credit cards or if it's a personal loan, they can't meet the payments there. I'd like to know your process, how do you make money from those people and then how do those people then interface with the Freedom Financial Asset Management which is really a lending business. How do those things all fit together?

Joe: Yeah, good question and there's some complexity there and a couple of things so first off, the words debt settlement mean a lot of things to a lot of different people. What I mean by that is not very many people understand it's role even though…it's still a reasonably new industry, first off. It really didn't start to take off and become a major part of the ecosystem or a larger part of the ecosystem until the last decade.

So back in 2002, literally mom and pops, little companies around, not very much going on and today, still in the scheme of the large financial system, a small portion of it, but it has grown considerably and I think it's reflective of the problems consumers have by the way. So the way debt settlement works is in essence a couple of different things.

First off, distressed consumers are always looking for anything and everything to help them and their most typical response, the average consumer like literally 85% of them, will say I need more debt. That's just sort of the response consumers have. I've got to get more money or get another loan, I've got to bridge my financial hardships to get to the next step in my life.

What happens for a lot of those consumers is they start getting turned down because as you fully understand, their balance sheets are too levered, they can't get any more money and now they're stuck in a position. I can't get any more money, I'm in an untenable position and I know it and now I've got to go do something about it.

There are a couple of different paths people take. A large percentage of consumers still take the path of sort of burying their head in the sand and hope they're going to get through to the other end somehow, some way, in essence, a prayer. But there are other consumers who actually understand that their problem isn't untenable and they have to do something about it and they proactively begin to look for options that they may be able to consider. They range from bankruptcy to credit counseling to potentially debt settlement so think about the trade offs in a number of different ways.

First off, bankruptcy is if you will, the nuclear option, it has a very long term impact on your credit history, seven years minimum, it has the stigma of bankruptcy which as we know in society isn't seen in a positive light and it's inherently unpalatable to many people. Now add to the fact that many people can't qualify for bankruptcy in relation to certain states because they have too many assets, too high income so the combination of all of those events make bankruptcy often impossible even for a distressed consumer to go to.

The other example was credit counseling which is lowering of interest rate, not reduction of liabilities which then results in a form of almost long term servitude, if you will, where the consumer is going to have to pay that debt over instead of five years, twenty years and that's often very painful for a consumer too because they fundamentally…while they don't have such a large impact on their credit score necessarily, they do end up putting themselves into a position where their cash flows will be dedicated to paying debt for an incredibly long period of time. Then there's debt settlement which sits in between both of these.

Consumers who come into debt settlement are looking for an opportunity and what debt settlement provides to them is the opportunity to lower their total liability amount, not through simple magic. They're going to have to go through some real hard work to do it which means they're going to have their credit scores impacted, they're going to have, you know, a tough time of making sure they can meet those payments to the debt settlement program to reduce their total outstanding debt.

But at the end of the day, if a debt settlement works as it should, a consumer will come in with call it a $100 of debt and they'll leave, including fees from people like ourselves, somewhere between 68 to 70% or $68 to $70 per $100 and be able to afford that going forward.

Now a couple of important points here, consumers who come into our program, and consumers who are often looking at debt settlement are being proactive, meaning that they understand they have a problem. Most of the consumers that come into our program aren't already at the doors of bankruptcy, they can see, they've had a financial hardship; they've lost their job, they've had a divorce, they've had a medical event, they've had a combination thereof. They're actively understanding and looking at their situation and they're saying, wow, this math doesn't work, I have to do something.

And so the typical consumer that comes into the Freedom Debt Relief program is a consumer who has got $30,000 of unsecured debt which by definition means and usually six to eight different trade lines which by definition means they had to be a prime consumer at some point. In other words, they've got money from CapOne, they've got money from B of A, they've got money from a MPL so, in essence, in total they were a prime consumer.

And what now has happened, because of one of these financial hardships, is they're in a position they can't afford to pay all of their debts so they may be delinquent on one, delinquent on three, delinquent on all of them. But they're stepping forward under the premise that they understand they can't pay all of those debts and they need to have a proactive way to deal with it.

Bankruptcy is not appealing for the reasons we talked about or not available. Credit counseling doesn't solve the problem, it keeps them sick, if you will, for an extended period of time and they understand that that's not going to work and debt settlement therefore makes the most sense. Does that answer the question?

Peter: Yeah, but I also want to know then once you settle the debt with...I mean, I know it could be a credit card company, it could be a LendingClub, Prosper or another marketplace lender. So you settle the debt for whatever it is, I don't know what the average is, you tell me, but however many cents on a dollar it is and then they move over to the FreedomPlus or the Freedom Financial Asset Management side to take out another loan? I mean, what is the interface between those two?

Joe: Yeah, there's a couple of different, let's talk about that whole path. So what happens when a consumer comes in is first off, we do financial suitability, okay. Of the clients who come into Freedom Debt Relief essentially 10% of them...a hundred come and say, I want to get into your program; we only take ten of them. Why don't we take the rest? Because some of them are financially healthy enough that they don't need to come into the program.

Others are so financially distressed, we can't help them. They don't have any income in which to generate to be able to settle debts. Others are better served by credit counseling because that's what they want, I mean, going into Freedom Debt Relief or going into debt settlement is a little akin to going to boot camp so it's not easy. You are in a tough position, it's like if you're...you know, using an example of being out of shape and you need to get into shape and you really want to get in shape, you've got to go work out a lot to get there so it's not going to be a simple and easy process.

But the reality is the consumer is in a tough position and anybody who's in any tough position understands fundamentally that to get out of a tough situation requires work. So when they come into debt settlement they have that option. They have to understand that and so we take literally ten out a hundred consumers that come to us and they go through a financial suitability assessment which looks to see what their hardship is, make sure that that they can afford the program because ultimately, if you're going to settle on average with fees included, 70% of your outstanding 100% of debt, you've got to pay that 70% somehow.

So you have to have the income in which to be able to do that. So when they come in and they go through that process it's typically a two to four-year process, depending on their cash flow, their income, etc. and at the end of the four years if they're successful in the program, they'll graduate in essence debt free. Now in the Freedom Financial Asset Management division, we lend two different types of products. One is called Consolidation Plus and one is called FreedomPlus.

FreedomPlus is a product that's not aimed at the debt settlement consumers, it's aimed at the general population who is now looking to consolidate their debt into one fixed rate and one payment and we'll come back and describe that a little bit more. You can see that as a classic competitor to a Prosper, LendingClub, SoFi, Avant, Marlette. A subset of the FDR consumers will be potentially eligible for a Consolidation Plus loan so the Consolidation Plus loan is a loan directed at FDR consumers who fit it.

Ultimately, only about 15% fit that and that is offered to the 15% that we believe and can identify, have an opportunity to more rapidly get through the program. We in essence help them go faster through the program by giving them option A/option B. So once they're identified, we look at that consumer and say, look, you're doing great in the FDR program, if you stay in the program you're going to be debt free two to four years down the road.

But in your case, we believe, based on your financial stability that you've now started to establish as you're starting to get in the FDR program, we can lend to you a loan, the C Plus loan, that will help facilitate the time you will need to be in the FDR program or I should say accelerate, allowing you as a consumer to emerge out of the program much faster.

Peter: Okay.

Joe: Now there's a downside to it and we explain that. The explanation to the consumer is quite clear which is you'll get speed and out of the program and if you pay your loan consistently you will actually re-enter the financial mainstream much faster and the data around Consolidation Plus is very clear. Clients who pay the loan consistently have a remarkable FICO rebound that gets them back into the mainstream and allows them to access lower cost capital, very attractive, but the downside is it costs you more because you are paying interest on the loan and then it becomes a consumer choice.

Peter: Right.

Joe: And the consumer can say, stay in the program because that's the lower cost and I will go through the boot camp for an extra year or two, or no, I prefer to pay a higher price to get back into the mainstream, but it's worth it to me because I'll be back in the financial mainstream in a much faster time frame.

Peter: Right, right, got it. Okay, I want to switch gears a little bit and talk about some of the painful things. I'm sure they're painful for you that you've endured over the last year and that is the FDIC. There was a settlement with you and Cross River Bank and the FDIC that became public earlier this year. There's also a lawsuit from the CFPB against you guys, against Freedom Debt Relief so I want to address this head on. Maybe you can start off with the FDIC because that's all public knowledge and it looks like there's a settlement that has been reached so why did you have to settle with the FDIC?

Joe: Yeah, absolutely, we're more than happy to discuss it because it's important that, you know, we do discuss this.

So first off, we absolutely want to do the best we can for consumers and I just want to re-emphasize that up one side, down the other. The FDIC action occurred in a review of CRB which is as you know, Cross River Bank is very active in the MPL space and we work with Cross River Bank and in the review of complaint calls at CRB, specifically with respect to our Consolidation Plus program, a number of clients complained about the process of what is referred to as client coaching.

For the sake of the audience who will be listening to us, what is client coaching? When a client becomes an FDR client they have, as I mentioned earlier, typically six to eight different creditor relationships and as we go through the process of settling the debts we try to do the best we can to identify the creditors that'll settle the earliest and we work directly with the creditors to get a good settlement for the client.

There were times and places, different creditors and it changes, depending on the delinquency status, depending on the creditor, depending on the internal people running the collections departments of whether they will or won't discuss with us the opportunity to settle. In some cases, they'll say no, we won't talk to FDR, we'll only talk to the consumer and so we then engage the consumer to talk to the creditor, we help them, we script them, we talk to them about the things they need to say and what to do and we make sure we support them.

And when they make a settlement, we ensure that the settlement sticks and follow up in terms of the ability to, in essence, make sure the outcome is successful and that's what's called client coaching. Now we disclose that, it's in our scripts, it's in our contracts, it's not something we'd love to do, it's not something necessarily clients love to do, but here are a couple of points.

First off, any settlement that a client has in Freedom Debt Relief, they are the ones who authorized the final settlement so if we get a settlement with Chase or with some other creditor at whatever price we get it, we have to go back to the client and say to the client, hey, is this acceptable to you and the client will then sign off on it. If it isn't acceptable to them, we go back to the well and do that again and that's true for the client coaching part of it.

The FDIC came and said, we don't like client coaching because we don't think clients like that. Now we could debate that, we think you need to disclose it more than you do. Now the reality is we always want to get better, we believe we did disclose it, but we are more than happy to disclose it even more so and I should mention too a couple of other facts.

It applied to less than 3% of our population, we have no FDIC or CFPB complaints whatsoever from any clients about that and when we do NPS scoring, which is Net Promoter Scoring which you're probably familiar with, the clients in client coaching actually gave us close to...I think it's a 70 NPS, very satisfied and then, finally, the actual results of client coached accounts were better than the average FDR account.

All that said, we absolutely heard what the FDIC said, we have made strong efforts to improve all of our disclosures around that practice to ensure that there's no misunderstanding by clients that that exists. Today, in terms of FDR, our client coaching, because we’ve developed other ways to deal with those situations where creditors won't deal with us directly is essentially, no longer exists in our practices.

Peter: Okay, so then is the CFPB action...I think it's still a pending lawsuit so I don't know much more you can say about it, but at least, is it about the same thing or is it something different?

Joe: Essentially, it's the same thing, the meat of it is the same thing. It's a relationship to practices in respect to FDR and practices that they perceive consumers didn't fully understand and we're eager…now I can't talk a lot about it because, as you mentioned, we're still in litigation with the CFPB over this, but all I can say is we are eager to work with the CFPB to ensure that we protect consumers and disclose things in 100% transparent ways and if we're not doing as good as we should, we're more than happy to make sure that we do.

Because at the end of the day, you know, back to the notion that we talked about earlier, we're here to help consumers, we believe our franchise has done a phenomenal job at that, we have, again, very high NPS scores, our business has done incredibly well, our consumers appear to be very happy and if we can get better, we will.

Peter: Okay, we're almost out of time, but I want to get to the Freedom Financial Asset Management and I'm just curious, has this negative publicity impacted demand for your loans? I mean, clearly you've got the FreedomPlus product, I saw there was a securitization earlier this year, so tell us a little bit about the investor demand for the loans you're issuing.

Joe: Yeah, the good news there is, no, it hasn't. I think people who take the time to examine the facts around what we just discussed, they again come clearly to the view that the company has clearly been transparent, is always willing to get better, but has clearly been transparent and clearly doing good things for consumers and I think people who spend the time and effort digging into the facts around that come to that conclusion. The result is we are probably three to four times oversubscribed for our loans, whether it be in the securitization process, I think we are almost three times oversubscribed for our securitization first deal.

On the whole loan or our fund buying, we're about four times oversubscribed so from the standpoint of impact from an investor demand there hasn't been any. In fact, we continue to see strong interest in our loans primarily because the performance of the underwriting has been very strong. We're really, really a big believer that part of the key things in lending is...you know, in essence, responsible lending, making sure that your clients pay you back and we do very rigorous research around that, rigorous underwriting around that and the result of that has been both good performance and good investor demand.

Peter: Okay, last question then. So what does the future hold for you guys? This obviously, you'll get past the CFPB thing eventually, but what does the future hold?

Joe: You know, that's a great question and I think the answer is the future holds, I hope, we're going to find out in hopefully two to three years we'll be talking and you'll say, God, that turned out to be prescient or not, but I think we're at the precipice of completing this notion of a financial wellness company.

So in essence, we worked initially just as Freedom Debt Relief then we added Bills consumer lead gen, now we have added lending and now what we're trying to do is stitch those together into this holistic debt solution company, because again, I think the complexity of the world isn't as simple as saying every problem needs a square peg. Sometimes it needs a square peg, sometimes it needs a round peg, sometimes it needs a half square, half round, if you will, peg and what we're trying to do is stitch together that in a very comprehensive and complete way.

So if we think about the future, we believe and we hope, and we will see if this turns out to be the case, that our ability to offer that to consumers will allow us to, in essence, become what I would call a financial wellness company or a holistic debt solution company. Now we'll be able to help consumers of all stripes get themselves into a better place or be more financially well. There's a bunch of things we're working on, including new products, strategic partnerships, things of that sort that I think indicate there's some real hope for that so we'll see. Now we've got to play it out.

Peter: Okay, well we'll have to leave it there. Appreciate you coming on the show today, Joe.

Joe: Thank you Peter, as usual, good to talk to you and we'll talk soon.

Peter: Okay, great, see you.

You know, it's an interesting idea that Joe just brings up there about having someone really there to help consumers with the liability side of their balance sheet. We're always trying to work on building up their assets and clearly consumers need help there because they do get themselves in trouble and obviously, bankruptcy is a last resort, but that does happen to many, many people every year and clearly, if they had taken action before it got too late they may have been able to avert that sort of thing.

That's where companies like Freedom Debt Relief can help with consumers. It's somewhat controversial, I know, because a lot of these companies would much rather have full payment than a partial payment, but we also should point out that a partial payment is far better than no payment at all and that's what happens in bankruptcy.

Anyway on that note, I will sign off. I very much appreciate your listening and I'll catch you next time. Bye.

Today's show was sponsored by LendIt Fintech USA 2019, the world's leading event in financial services innovation. It's coming up on April 8th through 9th, 2019, at Moscone West in San Francisco. Registration is now open and we're also taking speaker applications. You can find out more by going to lendit.com/usa

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