PODCAST TRANSCRIPTION SESSION NO. 167 / CHARLES ANDERSON

Welcome to the Lend Academy podcast, Episode No. 167. This is your host, Peter Renton, Founder of Lend Academy and Co-Founder of LendIt Fintech.

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Peter Renton: Today on the show, I am delighted to welcome Charles Anderson, he is the CEO and Founder of Currency. Now Currency is a fascinating company, they are actually the world's first fintech platform focused on the equipment finance space. It's a really fascinating space because it's so big, it's much, much bigger than I expected it would be and it is very much a paper-based traditional kind of way of doing business and Currency is out to try and digitize this and they've been going for a few years now.

We talk with Charles about who are the major players, what's the state of the equipment finance industry today and what are the big pain points and what is Currency doing to solve those pain points. We talk a little bit about data analytics and what they're doing and the organization, CEMC, that Charles recently helped found and we talk about his vision for the future of his company. It was a fascinating interview, I hope you enjoy the show.

Welcome to the podcast, Charles!

Charles Anderson: Thank you, happy to be here, it's an honor.

Peter: Okay, so I like to get these things started by giving the listeners a little bit of background about yourself and what you've done in your career to date.

Charles: Sure, so originally from the Bay area, I went to undergrad at San Diego State, always had a deep passion for specialty finance and with how I grew up an important part of my story is I saw at an early age the importance of timely access to capital which is to me more important than access to capital. I mean, it's more important to have a dollar when you need it than a dollar when you don't need it and so that's always kind of shaped my world view.

Out of undergrad, I jumped into the mortgage industry, an interesting period of time in 2004/2005. So I was in the mortgage industry, I worked for a large bank for a while and then left and started my own mortgage company that eventually I decided to slow down/wind down because I had an opportunity to go to business school at Stanford. Out of Stanford Business School, I launched an investment vehicle called a Search Fund and really that was kind of my stepping stone into Currency. Not well known, but I actually tried to purchase Currency from the founder of the business back in 2011 and ended up coming on as partner instead and that's my, I guess quick Cliff Notes version of how I ended up down in LA with Currency.

Peter: Okay, so tell us a little bit about that. I actually didn't know there was a founder before you of the business so tell us a little bit about the story about how you got started and how that business began.

Charles: Well it's a critical part of the Currency story and the way I explain the business is we actually started as a finance company, as a fin before we became fintech, and so the roots of the business go back to 2001, actually, through predecessor businesses, and the early days of Currency we were known by a different name, a company called CapNet actually, a different business entirely, but that business was really an equipment finance brokerage where there were four guys in a building that were originating small balance equipment transactions and selling them to banks.

This was early 2000's and technology wasn't what it was today. Most of the business was done over fax and mail, actually the business was done over mail when I joined in 2011/2012. And so the business was a nice little cottage business, they were taking advantage of an opportunity in the market which was banks needed assets, assets generating yield and so these four guys in the room were finding businesses that needed to finance equipment and then finding banks.

This is an important part of the story because we actually still have a lot of those banking relationships that we set up 15+ years ago now and that's really what helped us get through the financial crisis in a lot of ways, was those deep embedded banking relationships. And so in 2005, when Blake Johnson, who I call the founder of the business joined...he helped to drive scale to the organization and so Blake grew the business really from four employees to about 60/70 employees and north of a $100 million in originations at the time, grew the business until about 2009. In 2009, the company took a material step back to right size the organization because nobody knew how bad the financial crisis was going to get.

Peter: Right.

Charles: And so in 2009/2010/2011, banks were still buying paper, but with banks going out of business overnight, you never knew when your liquidity and funding was going to shut off so Blake actually really wound down the company, started a new business known as IMCA Capital and that business was really about four people when I joined. So I was the fifth employee of Currency in 2012 and the business that I joined was very similar to the business that was originally founded in 2001.

Peter: Okay, so then what changed and how did you pivot to where you are today?

Charles: So the first chapter, when I joined the business, was to really understand...okay, what went wrong? And you could say, well things didn't go wrong. but we weren't as an organization where we wanted to be so I dug into the business and dug into the portfolio and one of the conclusions which was incredibly insightful was there were two things that were very special about the company.

One was the data set around how to acquire customer, marketing and the other was the banking relationships, both I knew from my experiences with specialty finance that were almost impossible to replicate. It would take a decade and a financial crisis to recreate that so that was pretty special because now you know how to acquire a customer and you know your lifetime value, another way to say it.

So one of the first things I did was I dug into the portfolio and I was pleasantly surprised to find out that, and this was through the guidance of Blake Johnson, the founder of course, pleasantly surprised to find out that had we done the exact same thing, in the exact same way, in the exact same point in the cycle, with the exact same loss curves and so on and so on, we would have gotten through the financial crisis actually incredibly well because it's those who continue to lend into the financial crisis with the right data infrastructure and so on, checks and balances, those are the ones who make it through and grab market share and scale while others are retreating and so it was a big aha moment.

So version one of Currency was let's build a technology forward balance sheet lender. We're at the right point in the cycle, 2012 now, we're at the right point in the cycle, there's a lack of liquidity in funding and actually back when you and I met there was a lack of liquidity in funding for small businesses. Let's be the first technology forward equipment finance company in this $1.1 trillion finance market, $1.7 trillion purchase market.

So that's what we did, we went out and found one equity investor, a high net worth individual who was going to step in and really fund the business and help us execute on that strategy. We were at the finish line with a very well known, large US bank who was going to provide us a with a sizable credit facility and literally with signature pages in my inbox, it was a very stressful time in my life, we decided that the right thing to do was to not close that transaction.

Peter: Wow!

Charles: This is early 2012, we would have been the only ones in our market with our strategy, with our timing, with our momentum, with our data, with our bank relationships and we could have really done something pretty remarkable. The reason why is that our investor had some personal things going on and we collectively decided it was in all of our best interest to unwind the company and return his capital.

He ended up making a very good double digit unlevered return on his money so it was a good outcome for him, it was a bumpy but great outcome for us as well because it was that moment, which is why it’s an important part of our story, where we were forced to think very carefully about our value proposition in the market. And the conclusion to our value proposition gets to a lot of how we built the business today which is why I went through that background, which is you have to understand why customers pay you revenue. If you don't know the answer to that question then you're just waiting for someone else to come in, for Amazon to come in and take your lunch, basically.

Peter: Right.

Charles: And so as we surveyed our customers, what we found was that there was this massive secular shift for the first time in our market with people buying equipment on the internet which sounds crazy. That wasn't obvious, but this was 2014, not that long ago, but for the first time people were starting to buy equipment online and so we said, okay, if that's true how are we going to win in that market and we concluded that we thought there were three ways to compete in specialty finance.

We think you can compete with your credit guidelines, meaning I can do deals you can't do because I have more data than you. You can compete with your interest rates, I can outprice the market so I can cherry pick the best deals that I want and I'll have a lower loss rate than anyone else, or you can compete with your customer experience or how you acquire your customers.

Of those three, the only one that we felt like we had a sustainable competitive advantage with would be how we acquire and process and deliver customer experience. So that kind of led to the next iteration of the business that I would be happy to get into, but that was how we kind of went from concept through near death experience through a forced recognition or discovery of our value proposition to our first digital integration at the point of sale which was eBay back in 2014.

Peter: Okay, so you sort of rebirthed the business as really an online specialty finance company. How did you get eBay on board and how did you get going again?

Charles: So we surveyed our customers and it was hard, it was really hard, but we surveyed our customers and they were the ones that helped us to figure out we start our quest for equipment on eBay, they were the ones that say we start our investigation and search for what we want to buy on eBay because if you think about it, where else do you find a repository of endless types of equipment and there's really not a lot of other sources.

There's a lot more now than there were five years ago/four years ago, but at that time there was almost nothing and so we said, wow, we wholeheartedly believe that financing follows purchases and if that's true and if the world is moving from a physical purchase to a digital purchase, which is hard to disagree with that, and if mobile is starting to just now enter into our market, then we said we need to be the first ones to build a digital financing experience which implies credit decisioning, which implies credit risk, which implies a lot of things at the point of sale.

So the value proposition was to eBay, we know you sell equipment and if you sell equipment, financing has to happen as we know, 60 to 70% of the equipment that's purchased in the US is financed. How can you sell equipment, physical equipment digitally if you don't have a digital financing experience? They said, that's great, but you are a subprime lender with subprime cost of capital, how are you going to service our...because we weren't private equity backed, we didn't have any institutional capital, we were a bootstrapped business. It was a fair question.

So they said, how are you going to be able to service our A paper through and basically B paper customers if you are a C priced lender? And so fortunately, because of those early lender relationships we had, those bank relations we had back to 2001, largely, we were able to say, what if we told you we don't want to build a balance sheet, that's not our end game because that's not how we think we can compete in the long run.

However, we also told you we have data that no one else has on non-prime customers which allows us, when necessary, to fund those other people probably can’t or maybe won’t. And we also have banking relationships in place to allow us to deliver a digital financing experience and lay off the A paper and super prime customers to banks of the cheapest cost of capital and the most credit expertise who can hold those assets to maturity.

Peter: Right.

Charles: So such a valuable lesson for us and it stepped us into, call it chapter two of the business which was on demand competitive financing at the digital point of sale.

Peter: Okay, so before we get into that, I actually want to take a step back and just talk about the equipment finance industry because I know it’s a large industry, but a lot of people don’t really know much about it. Maybe you could just tell us some of the...what is the size of the equipment finance industry, who are the biggest players, so to speak?

Charles: The industry is very, very large and let’s just talk about the US because the numbers around the world are less clear, but according to the Equipment Leasing and Financing Association, which is really the leading industry for all of this information, they outsource and do research studies every single year. According to them, there’s $1.7 trillion of equipment purchased in the US alone every single year and of that $1.7 trillion, $1.1 of that is financed.

What’s interesting is it’s a massive...my friends tease me because I call it a “1 T market”, which I appreciate, (laughs)...it’s a massive industry and what you’ll find is a lot of shadow banking happens in this market and a lot of the financing, if you look at the financial crisis, equipment financing was one of the best performing portfolios on return on equity risk adjusted basis by comparison to Treasuries, it was second to Treasuries.

So if you ask that question, who’s participating in this market, it’s everybody. The largest household names that you would hear would be Bank of America Leasing is huge, Wells Fargo Leasing is huge, BMO Harris, I mean, GE Capital was the largest for a long time. So either through direct financing with vendor relationships or through purchasing of portfolios or through syndication or one way or another, it’s the who’s who which is another way of saying, it’s you and I...it’s our dollars that are sitting at the banks that are flowing through to middle America or to these large corporations to finance the purchase of equipment which is so fascinating to me once I realized that.

Peter: Right, and there's also the captive finance companies because...just as a little aside for the listeners, in my previous life, I actually ran a printing business and we would buy half a million dollar printing presses and these were digital presses that we bought through HP and we would finance through HP. Actually, the first one we did was through Wells Fargo who was the company who had the relationship with the predecessor to the HP press, but anyway, we would do that and it was…all this ran through HP, it was all seamless.

So I've been on the other side of the equation purchasing this equipment and you know, luckily we had a good business, we had a lot of good cash flow and we were able to obtain this financing pretty cheaply and pretty easily. So I imagine those captive finance companies are a decent part of the market.

Charles: Well they are but what's fascinating is if you dig into the captive finance companies and I won't mention any names here, but some of the largest ones that you would hear of and possibly even in HP, but typically what you find is either a large bank providing the funding for them or a large bank purchasing assets from them eventually.

So it's fascinating that eventually it usually...the two end games for equipment financing is either securitization which means that the money is being dumped to insurance companies most of the time, some of it is banks but largely insurance companies, or it's one of these large banks generating spread on the assets because it's such a mature, since the 70's, it's such a mature cottage industry, it's probably the largest cottage industry because it's still done physically, it's still not quite a digital experience. So, the efficiency that you picked up in other markets haven't yet showed up here.

Peter: Right, so let's talk about that because, you know, as you say you've got these people on eBay that are starting to look for equipment online, wanting an online experience, but equipment by its very nature is physical and so what is the process like with the big incumbents, what is the process like to finance a piece of equipment?

Charles: Clunky, clunky at best. (laughs) If you walk through the user experience it starts with how do you figure out what you want to buy? Well today, you're probably going to start on Google, five years ago, you were probably going to talk to one of your friends in the industry and say, hey, I want to buy this piece of equipment, where do I go and he'll probably give you a recommendation or they will probably open up…But still most of the transactions today, most customers figure out what they want to buy today through physical printed publications, almost like a physical Craigslist, for example.

Once you figure out what you want to buy then starts the negotiation with the vendor and you might find one or two different sellers of the equipment and there's no standardization around pricing so you don't really know if you're getting a good deal. Let's say you want to buy used instead of new it gets even exponentially more complicated, but the useful life of these assets can be very long, even though the economic life may only be five years, you might be able lease it for 15, 20 years, we see that all of the time even in trucking, for example.

And so once you figure out what you want to buy...why this industry, I believe, is still so fragmented and so large is one of the hardest problems to solve is you have to coordinate the movement of money from Point A to Point B, at a different point in time when you move a physical good from Point B to Point A. Meaning if you're going to buy a large piece of construction equipment or a printing press, for example, if you're going to buy a printing press someone has to pay for the manufacturing of that printing press. Once it's manufactured, there's cash that had to be spent to put that together and so the next question is, will that vendor, that seller of the printing press be comfortable shipping you the printing press without you paying them? Probably not.

Peter: Right, the answer is no most of the time. (laughs)

Charles: So when you think about the mechanics of that, it's not like you put a printing press in your back seat and drive it home. Then it becomes exponentially more complicated and then you start to understand why there's so much margin in this industry, frankly, and why it hasn't gone through a major revolution. It's already working really well, it's clunky, but people are making really good money and the rate of purchases isn't frequent enough in your life for you to care about the pain, it’s kind of like going to the dentist. It's not fun, but if you only do it twice a year, you can stomach it.

Peter: Right, right. Okay, so I want to talk about what Currency offers. On your website when you talk about the different solutions you guys offer, you have the Currency API, Lending Services and Currency Pay so why don't you just talk us through, let's just start with the Currency API. What is that and how does it work?

Charles: So it all connects back to our conclusion we came up with with that story I shared about how we were overworked, underpaid and definitely underfunded back in 2013/2014, and so it forced us to really own our value proposition and figure out why do customers pay us. And the conclusion was we help customers figure out the answers to two questions which are, what do you want to buy and how do you want to pay, what do you want to buy and how do you want to pay?

And what's fascinating about this market is similar to the mortgage industry in the 90's and if you follow the story of the LendingTree business model, we're following a very similar trajectory where they started as a lead gen company. But none of the banks had call centers so they didn't know what to do with the leads and they became a lender, then they became a whole loan sale provider, then they became just a technology platform and there were lots of fits and starts in there, but what we found was there's three components to our business built by the assumption that in the long run our best value proposition is delivering a wonderful experience for the customer, the customer being the buyer and seller of the equipment and also the lender, we have three customers, or the lender/investor.

And so if that's true, we need to be able to provide services for all three. Answering the questions what do you want to buy and how do you want to pay for it...so what do you want to buy is figuring out what type of equipment do you want to buy, from which vendor, how do you know that vendor? Is that a credible vendor, is that a good vendor, is that a bad vendor, what's the reputation of that. So it's a very consultative approach for that.

But the next question is, how do you want to pay…through debit/credit, ACH, wire transfer or through financing? Well we grew up in the financing word so we were forced to develop an expertise around the shipping, delivery, installation which is a whole other conversation we won't even have time to get into today, but it was a lot easier for us to step into the payment side of the equation because we'd already solved the financing side which happened 60/70% of the time.

But, what we realized is starting in 2014, we made this bet that transactions were moving from physical to digital. We had to be the first ones to deliver a digital experience. There's so many lenders....I use the word lenders on purpose, some are banks, some are alternative finance companies who have not yet made that same decision that we made which was we're betting the future on this being digital, and this being mobile, and this being voice to text that we started renting...actually, to say it differently, people were already coming to us saying can we borrow, can we rent your technology to take our process and make it digital.

And so that's Currency API, it's alternative finance companies and banks coming to us and so recently...really proud of this, there was a community bank in the Midwest that is now renting/using our technology, they're renting our technology from us and they've been able to displace a very large bulge bracket bank from a vendor relationship because now they can compete with the timing and the processing and they have a desire to fund in their local market. So if there's a transaction in this local market because of our technology platform...we took them from physical, paper, Excel best case scenario to now an entirely digital… from application to funding process.

Peter: Okay, so that's a lending as a service type product, so are you also doing the underwriting, are they using your underwriting tools or is it really just the technology itself?

Charles: Let me qualify that a little bit. Going back to the view that long term…. We think it is really hard to say your competitive advantage is I can out underwrite you because that's so nuanced for different reasons.

So rather than take that stance...now we do have a lending component to our business because we've been forced to because we lived through the financial crisis and we understand that, and we know our credit box which we feel good about which as we mentioned is valuable for a lot of our partners. But for banks such as the one I mentioned earlier, what we do is we actually take their credit model and we code it into our technology and we take their credit appetite and we put it into our system...

Peter: Okay.

Charles: ...and we say if a deal falls into this rubric, then deliver this approved application to the lender and ask them to say, do I want it, yes or no?

Peter: Okay, so you said you also have your own balance sheet that you're lending out as well? Did I hear you right, you are providing actual loans off your own balance sheet?

Charles: We are, we are doing that as well.

Peter: Okay, okay, and then what about Currency Pay, what is that exactly?

Charles: Currency Pay is helping people move money from Point A to Point B. There's not a lot of solutions for we'll call it high ticket items, high ticket being qualified as more than $2,000. There's not a lot of solutions in the digital environment being able to pay for something over $2,000. It's possible...

Peter: I mean, obviously credit cards you can...I found out our American Express limit is $50,000 right now. There obviously are...I mean, credit cards do that, so say more.

Charles: So you are in the super elite portion of the market if you have an Amex balance that gets you up to $50,000. So I'll share this story, I don't mind this being on the record. A few years ago, and I've had...thanks to business school and other things I've had lots of debt we'll say that I've had on my personal credit that I've borrowed and repaid over the years and a few years ago I went through the PayPal credit process. I mean, I've paid over six figures of debt on my credit report over the last 15 years.

I've been a business owner for over 12/15 years as well so I went through the PayPal credit process and despite my, which I'm very proud of, very high credit score and very deep credit background, I was only approved for $1,300. I'm saying this...like with a college degree, with a masters degree, with being a business owner for more than a decade, with having a very deep credit profile, with understanding the credit markets more than the average person, if I only got approved for $1,300 what's the average business owner probably…the average small business owner is probably only going to get approved for, it's probably not much more than that.

There are those businesses that do have six figure balances with American Express and that's not the market that we're going after directly, but for the mom and pop restaurant owner, business owner, truck driver, that's probably not an option for them. So for everybody else, now that behavior is shifting so let me give you these metrics, it is pretty fascinating. If you add in eBay and a couple of other partners in the eBay category and you take all of their volume and you can qualify this with some of the Ritchie Brothers data as well, they are the largest auctioneer. Our best guess is that according to measurable data, there's no more than $10, maybe $12 billion of equipment sold electronically in the US every year.

Peter: Out of the $1.7 trillion total.

Charles: Correct. Take that number and multiply it times five, take it to $50 billion, $50 billion out of $1.7 trillion. So the secular bet that we're making is people are going to have to figure out how do you move money from Point A to Point B at a different point in time when you move an asset from Point B to Point A and that's sometimes going to be financing, sometimes it's going to be ACH, debit or it'll be credit or it'll be a wire, but you can't do that unless you can also manage the logistics and create trust amongst three mistrusting parties; the finance provider, the seller and the buyer.

Peter: Right, no, that makes sense, I see. You know, $50 billion is 3% of the market I guess of $1.7 trillion and eventually...I mean, I imagine, eventually it's going to be 100%. I mean, I don't know if there's going to be in ten years time, things that are not happening digitally, maybe there is, maybe it'll take decades to get it to 100%, but certainly you're going to get a lot more than 1 or 2%. It's completely inevitable, I don't think anyone could really argue against that. It sounds like what you guys are doing is facilitating the acceleration of that.

So then I want to talk a little bit about the data analytics, technology...it's a unique...this is not really just like a small business loan because a small business loan, you've got a small business, you've got a lender. Here you've really got...like you said you've got three parties and you've got the piece of equipment as well itself which is really a fourth entity even though it's inanimate, but it is part of the thinking, so how do you gather all of the data to make an informed decision there?

Charles: Well to take your question one step further, I think about what do you do with the data once you have it and how do you translate it into value and for who. So what we're trying to do is to be able to empower transactions at the point of sale for A to D credit and every type of asset purchase online. That's our end game and so all of our view on data is filtered around that because what we found is and we went down the path of saying, well we can build a better credit model.

What we found is that if we put our name to our credit model and then we market that credit model to the capital markets and they use our credit models to make credit decisions, then it works until it doesn't or it works until it potentially doesn't with how fickle things are today and so we said, well we don't want to put our stamp on saying we can do credit better than anyone else. There's other people doing that and we commend them for being able to do that but that's not the bet we're making.

What we want to be able to do is build an end-to-end equipment purchasing financing exchange and be able to use all of the data that we're gathering to help people optimize unit economics on the equipment that they're using because if people can use their equipment to generate more revenue, more often, then that makes the entire ecosystem work better. Does that make sense?

Peter: Right, I get that, I get that. Okay, so we're running out of time and I want to get to a couple of more things here. Firstly, I want to talk...I'm actually looking at your face right now on your website and my face is on there too (laughs), that's interesting. So the CEMC, the

Commercial Equipment Marketplace Council, that you founded just a couple of years ago, I believe, so tell us a little bit about this organization and why you founded it.

Charles: Sure, the purpose of the CEMC is to bring together the best and the brightest from the fintech world and the equipment finance world and bring them together. We believe what you just said, it's inevitable that technology changes how things are being done in this market and we're already seeing it today.

We're seeing it in a very quick clip, it's accelerating, the rate of change here. So when we were first having these conversations in 2011/2012, we were told point blank by multiple people, you're going to go out of business for using DocuSign. You're crazy, electronic signatures are never going to hold up in court, you're going to go out of business. The whole world is now moving towards DocuSign and the equipment finance industry is just now adopting it at a pretty quick pace.

So we said, well okay, we want a vibrant market with lots of competition because that will speed innovation up and our end game is to really build a new ecosystem, a new exchange where we can help facilitate these transactions across all sorts of credit parties, all sorts of investors, all sorts of sellers of equipment and we want to be the hub that empowers these transactions. If that's true then we need to bring together all of our partners and if we're not trying to compete on cost of capital, we're not trying to compete on credit guidelines, we don't want to be a balance sheet lender in the long run.

That's a temporary step for us to get to the next lily pad and so for us we want to pull together everyone who touches the value chain of figuring out what do you want to buy, how do you want to pay, get them all in a room, deliver a world class experience and force the conversation to think about what is artificial intelligence going to do to our market, how is talk to text going to change things. What if you had a blank sheet of paper and you didn't care about the math, what would be the next product that you would invent for the customer?

Probably something around shared economy, probably something around Internet of Things connected back...I mean, John Deere is doing a lot of this stuff, I didn't know that before. We had them come to our conference and talk about it. And so the purpose of CEMC is to drive that conversation forward to bring technology to our market at the cost probably, frankly, of margin, at the cost of margin short term, but long term, by rearchitecting this industry to have it be oriented in the way that it should be going to build long term sustainable value.

Peter: I should just mention as well, I spoke at your event last year which is why it's on the website here. It was a great event, opened my eyes, I had never talked to many people in the equipment finance space and it really was quite fascinating. Anyway we're out of time, but before we go just maybe a few thoughts on what your vision is for Currency.

Charles: Oh man, my hope is when I look back on my career that, you know, call it 20/30/40 years from today, that I can look back on this market and feel very good that I left a lasting impact on how people buy and sell equipment, and I helped to eliminate fraud, I helped people to optimize their usage of their equipment. That would be success for me and fortunately, I get to work with a lot of my best friends and I think this problem is really hard and really interesting, it's not going to be solved overnight, but if we could pull all those things off and enjoy the process along the way that would be my vision for myself and for Currency over the next couple of decades here.

Peter: Okay, we'll have to leave it there. Good luck with that, Charles, that certainly is a noble mission and I appreciate you coming on the show today.

Charles: Right on, thank you, Peter, it's been a pleasure to do this with you today. I'm honored.

Peter: Okay, catch you later. Bye.

Charles: Take care.

Peter: It is truly fascinating to me that an industry the size of equipment financing, he said $1.1 trillion financed each year, I mean, that's one of the biggest verticals we have and yet it is still not being dominated by fintech players. There really is a traditional finance industry that operates pretty much the same way they did a decade ago. As I said, it's inevitable that this will be moved online. Everything else is moving online and companies like Currency are really accelerating this process.

I think, you know, there were times when I was out at his event and spoke to some of these lenders and they are traditional folks and have done things the same way for sometimes decades and they just now are starting to think, well we should learn about how we can really digitize what we're doing. I think they're a decade behind some of the other verticals, but as I said, it's inevitable that they will catch up and this will be… a digital experience will be commonplace here in the not too distant future.

Anyway on that note, I will sign off. I very much appreciate you 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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