

Developer Partner Case Study: Lending Club Application

LendingClub

Lending Club Application Helps Facebook Users Lend Money Among Friends

The Company

Lending Club, a person-to-person lending application, is the first financial service to launch on a social utility.

The Application

A tool to let Facebook users lend to or borrow from others in their networks.

Lending Club Application

Lending Club developed an application that enables Facebook users to lend or borrow money from trusted contacts while significantly improving the interest rates on both sides. For a limited time, the service will be available exclusively to Facebook users.

“The basic economic benefit lies in bypassing the bank,” says Lending Club CEO Renaud Laplanche. “Banks incur costs collecting deposits from the public on one side and extending loans to the public on the other side; Lending Club provides a shortcut.”

Once a user adds the Lending Club application, the application lives on her Facebook profile page. With one click, the user lands at Lending Club, where she can start borrowing or lending among her Facebook groups and contacts.

“When you land on our page we recognize that you’re a Facebook member,” says Lending Club CTO Joaquin Delgado. “Then you get special information, such as how many of your Facebook friends and group members are already in Lending Club.”

The Lending Club application can also be set to tell visitors to a user’s Facebook profile that the user is a Lending Club member and that she wants a loan or has money to lend.

“Person-to-person lending delivers wonderful value because the middleman is left out and everyone gets a better rate.”

–Renaud Laplanche,
Founder & CEO,
Lending Club



Screen capture of Lending Club Application.

Facebook Developer Resources

Delgado says Facebook Platform resources were very useful for integrating the Lending Club application into Facebook. They make it easy for Lending Club to recognize visitors from Facebook, then grab profile information from Facebook to match lenders and borrowers with people they trust.

“It’s of great benefit to be able to create a footprint of our application within the profile of the user,” Delgado adds. “The ability to see when one of your friends adds the application is also an excellent way of promoting the application.”

For the Users

Normally, lending or borrowing money can be a risky proposition. But the Lending Club application allows Facebook users to lend and borrow at better rates than banks can offer.

Working in conjunction with Facebook, Lending Club is able to give borrowers and lenders confidence. Lending Club supplies the first level of trust, including authenticating users and verifying credit scores and bank accounts.

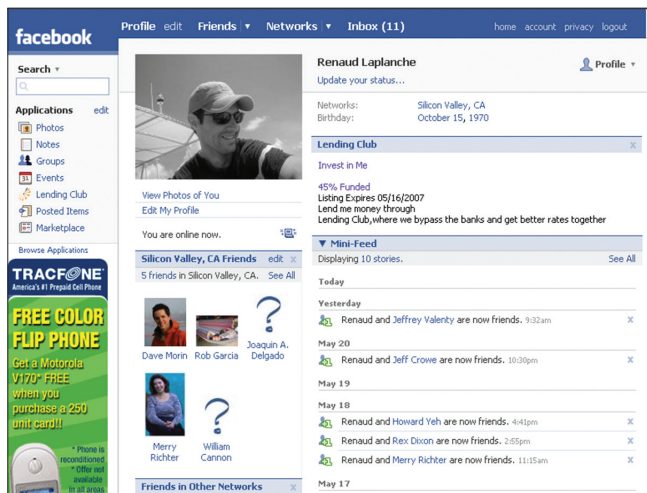
Facebook supplies an additional measure of trust. “Facebook indicates connections among people and reinforces this sense of trust and relationship,” Laplanche says. “The people you’re lending money to are not complete strangers—they’re authenticated as alumni of your university or your corporate group, so you relate to them much better.”

By the same token, peer pressure influences borrowers to pay back loans.

Why Lending Club Built on Facebook Platform

Facebook is attractive to Lending Club not only for its 24 million members, but for its emphasis on authentication.

“On most social sites, nothing is verified,” Laplanche says. “But if you’re lending and borrowing money, you rely on trust and security—and that’s what you get with Facebook.”



Screen capture of Lending Club Application