

The image features a white background with a thin orange border. In the top-left and bottom-right corners, there are abstract geometric patterns composed of various-sized triangles and polygons in shades of orange and yellow. The text is centered in the middle of the page.

Biztech

Peer to Peer Lending

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All data in this Ebook is current as of January 2019



Introduction

This free E-book is compliments of Biztech and introduces the concept of peer to peer lending to everyone. It provides some insights and history as well as describes how peer to peer lending works for both investors and borrowers. While peer to peer lending is now a global phenomenon this E-book will be zooming in on the Jamaican market in particular and how the process works here. If you have ever heard, been interested or curious about peer to peer lending but don't know where to start then this E-book is for you.

This E-book will explain in detail how peer to peer lending works and the requirements that are needed for borrowers and investors to participate in peer to peer lending in Jamaica. Peer to peer lending is an innovative idea whose time has come. To date we have become a highly enlightened and interconnected world yet the banking system is still based on inflexible, complicated and centuries old model. It is evident that there is no need for borrowers to get loans from the bank any more as they can turn to their peers and often end up getting a lower interest rate. This enables Borrowers to save money by taking out peer to peer loans and investors can earn great returns on their money.

Opening Remarks

Technological innovation is transforming entire industries and the financial industry is no exception.

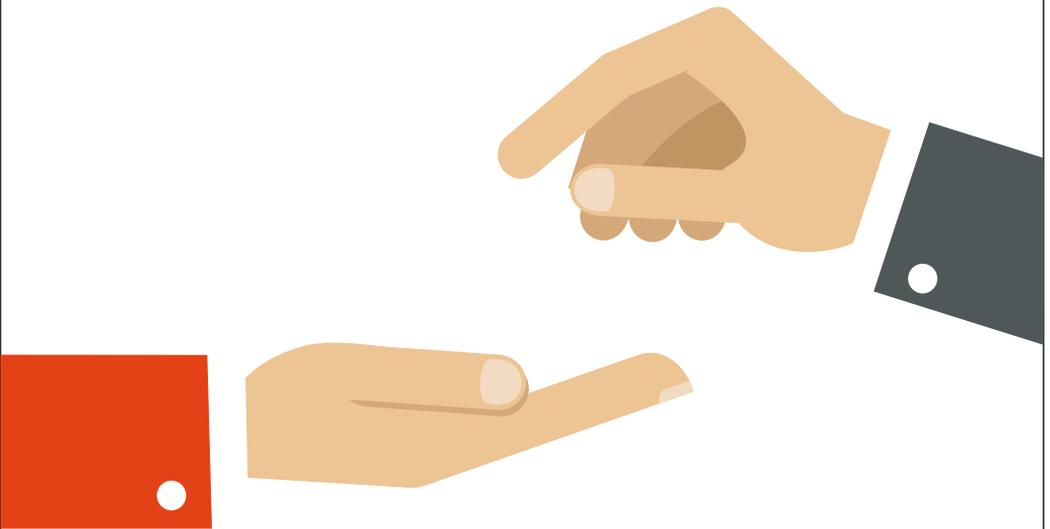
Biztech offers Peer to Peer Lending which is another example of technology innovation, similar to what Uber is to the taxi Industry or Airbnb to the hotel industry or even the internet to the newspapers industry. We all know Facebook is connecting the world like never before and Uber makes it much easier for you to get from point A to point B. That's extremely valuable. But extremely valuable as well is Biztech. Biztech is putting more money back into the hands of our investors and making it much easier and affordable for our borrowers to get loans.

SMEs contribute significantly to Jamaica's economic growth, however due to the outdated banking systems and complexities, a vast number of individuals and Businesses are deprived of credit from the bank. As a result borrowers end up approaching micro Loan companies/ sharks that charge very high interest rates. This is a very serious problem that has needed attention for the longest time.

Biztech is offering its solution to Jamaica through our innovative online peer to peer lending platform and best-in-class technology, that connects borrowers and lenders directly and removes the role of an intermediary financial institution in the flow of capital. Borrower's now have a easy, straightforward, convenient and more affordable means of gaining access to finance, while lenders can earn high, stable and diversified returns on their capital through this new asset class.

In its purest form, P2P is a direct loan contract, known as a P2P agreement, between the lender and borrower. The role of Biztech is to facilitate this agreement by originating loans and connecting borrowers to lenders. We've written this E-book to help you understand P2P and how P2P might fit within your funding strategy or your investment portfolio. A special thanks to Dwaine Forbes for suggesting this E-book be put together and also Petergay Davis for reviewing previous drafts. Really good team effort, thanks.

I hope you find this eBook informative as you explore the peer to peer lending world. Embark on this journey with Biztech as we redefine financial processes and transform the future of finance.



What is Peer to Peer Lending at Biztech?

Peer to peer lending goes by many names. It is often referred to as crowd lending, social lending, person-to-person lending or p2p lending etc. The simplest way to define peer to peer lending is: Individuals lending money to other individuals without a banking intermediary.

Biztech leverages the concept of a "shared economy" online to connect borrowers and lenders, and therefore facilitates the flow of capital without actually holding any funds. In a similar way that Uber is the world's largest taxi company, yet it does not have a single car in its fleet, or Alibaba, the world's largest e-commerce platform, but does not have a single item in its inventory or even Facebook, the world's most prominent social media platform but does not itself produce any content.

Likewise, to borrow or lend money, a person can bypass the traditional middleman (banks, credit unions or other financial institutions) and lend or borrow directly to and from their peers online. This process is set up to be the most efficient form of lending by removing the middlemen, namely the banks etc. in the process. P2P involves three sides: the lender, the borrower and the P2P platform. Similar to any other loan agreement, the lender is responsible for lending capital over the duration of the loan, while the borrower commits to repaying this capital plus interest in accordance with the loan agreement.

The P2P platform Biztech facilitates the transaction by performing a credit assessment on the borrower, managing the collection and distribution of funds, removing the technicalities that comes with such a transaction and monitoring the entire loan process thus connecting borrowers to lenders more efficiently and more rapidly than would have been possible in prior years. Today, with the explosive growth of the Internet and online social networks, the P2P concept has been brought online. So now, borrowers can borrow money from people they have never met and investors can lend money to many anonymous borrowers just based on their credit information. Biztech uses contemporary technology to allow such lending without any prior knowledge of the borrower. Instead of lenders being restricted to lending to their neighbours, they can now theoretically lend to anyone in the world.

A clear distinction should also be made between peer to peer lending and microfinance. Microfinance typically deals with *the provision of financial services to micro-entrepreneurs and small businesses, which lack access to banking and related services and are usually organizations run for profit.* They serve a different purpose and have different goals from peer to peer lending organizations like Biztech. **Peer to peer lending connects lenders and borrowers whilst maximizing the rewards for both.** Lenders typically earn more from their savings and investment than they would in a high street deposit account and borrowers can take advantage of terms that are often more competitive and flexible than the banks are able to offer.



How Peer to Peer Lending Works at Biztech?

The basic premise of p2p lending is that people sign up as a borrower or an investor. Scenario, someone needs a loan, so they approach Biztech peer to peer lending platform. In order to be considered for a loan, potential borrowers have to submit some private information, such as their Tax Registration number (to run a credit check), employment status etc. Any false information or bad credit history and an application is denied. If a borrower's application does get approved, the requested loan is placed on the website for investors to fund. The borrower then has two weeks for lenders throughout the network to take a look at the loan request and decide whether to invest. If their requested loan gets enough funding from investors within two weeks, it is issued. The borrower then makes monthly payments on this loan until it is repaid, and the lender receives these payments minus a small fee to the platform.

As a potential lender, you are the person who goes onto the platform to invest in these requested loans. To do this, you go to the Biztech's websites www.biztechp2p.com and submit an application to become a lender. After you open an account with Biztech and transfer some funds into it, you can begin browsing the platform's long list of available loans. This task of choosing loans that are available for investment is where new investors can get confused. After all, how can you tell which loans are the best ones?

The short answer is that nobody knows. Every loan on that platform has the small chance it could default (not be repaid), because every loan has a actual human being behind it – a person whose life is complicated and full of the unexpected. But as you begin to learn about loans, research loan history, and examine the currently available loans, you will be able to determine the best loans for your particular investing strategy.

Thankfully, there is only a small chance that any loan can default. This is because Biztech underwrite all their loans, which means that the borrowers who apply for these loans have passed a rigorous screening and verification process. In this way, every loan available to us is already "qualified". Biztech have made it even easier to separate the loans you prefer by setting up filters. As a result, selecting the better loans can be quick and repetitive as you become more familiar with the process. Most successful lenders only need to log in for a few minutes per week.

Learn it for yourself. One of the best things about peer to peer lending is how little money you need to try it out. You will not be diversified with only one loan, but you should get a decent feel for how the website works. Once you have established a rhythm, it is simple to just maintain this habit a few minutes every week. You just (1) go to your account to see if it has any available cash, (2) filter the platform for quality loans, and (3) choose a few to fund. Pretty simple. People get access to a needed loan and you get a great return on your investment.



Who can Borrow at Biztech

Whether it be a need for finance to expand your business or even a personal reason like renovating a home or consolidating credit card debt, various classes of borrowers now have access to affordable finance through Biztech. To borrow money on the platform you must be a Jamaican resident, at least 18 years old, have a bank account and valid Tax Registration number.

Advantages for Borrowers

1. Borrow Against Your Future income

Get an unsecured loan for personal or business use as a multiplier of cashflows such as salary, business income etc.

2. Convenience, Speed and Online

Upload digital documents instantly and borrow money quickly from the comfort of your living room, from any online device.

3. Affordable Rates of Interest

Lower operational costs compared to other organizations allow Biztech to offer cheaper loans to borrowers

4. Savings/ Early repayment option

Unlike other organizations, borrowers on Biztech will have the option to pay off their loan before its expiry date without fees. As a matter of fact we offer a 3% cash back to Borrowers who repay their loan early. This cash is refunded to borrowers Biztech account and the money can be used as a means of saving and earning more money.

5. Build / Improve your credit History

When you take a loan from us we record and create for you a credit history that will enable you to access loans at a cheaper rate in the future. We also provide free educational courses, resources and articles that will help you make better financial . decisions, teach you how to increase your savings, help improve/ repair your credit ratings and become more resilient to economic shocks.



Who can Invest at Biztech

We provide a new asset class, an alternative investment option from savings and fixed deposits. The process is easy for a lender - apply to the platform www.biztechp2p.com, get approved, deposit funds, and browse the platform for loans to build a portfolio. All the due diligence is done by Biztech, and a lender just needs to allocate his funds across a diversified group of borrowers to satisfy his own appetite for risk and return. Lenders should be at least 18 years old, have a bank account and valid Tax Registration number.

Advantages for Lenders

- **Income or Growth**

Investors have the choice of taking interest payments as an income, or for these payments to be reinvested, enabling capital growth.

- **Diversification**

P2P lending allows investors to diversify into an alternative asset class apart from stocks, mutual funds, deposit accounts etc. Lenders can invest capital across a large number of borrowers, increasing their exposure, and reducing the risk of borrower default.

- **Greater returns**

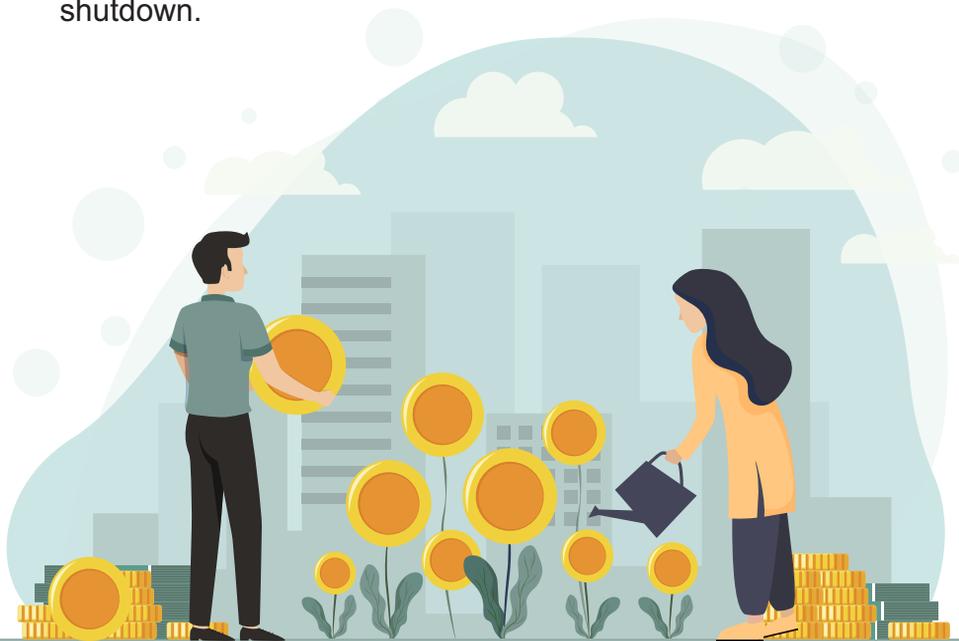
We provide lenders an opportunity to lend per their preference and earn greater returns. Lenders can extend credit to lower-risk classes as well as high quality prime borrowers. Depending on their risk appetite .

- **Management, technicality and transaction facilitation**

Our role in all of this is to run a peer to peer lending platform. We act as an intermediary so that borrowers and lenders can keep their anonymity and finally we collect and distribute payments back to lenders on behalf of the borrowers. We are heavily data driven and employ semi automated risk assessment methods as well as nontraditional data points to screen and verify borrowers. This allows not only for verification but also for assessing credit risk before listing on our platform. This ensures lenders are saved the time, money and operate at low maintenance.

- **Money is safe even if the platform shuts down**

Biztech is licensed to operate and conduct business. However, Biztech does not handle any borrower or lender money directly. Instead, the third party administrative account stores all funds safely and securely and conducts all financial transactions. Thus, there is no added risk to the lender in the case of a company shutdown.



How we mitigate against risk

1. Third Party Trust Company

Biztech does not handle any borrower or lender money directly. Instead, our third party account stores all funds safely and securely and conducts all financial transactions. Thus, there is no added risk to the lender in the case of a company shutdown.

2. Screened Borrowers

Biztech screens each borrower thoroughly, most notably using risk assessment model and prior transactions to assess credit history. Even with due precautions, borrowers might still default on their loans. Biztech ensures that borrowers have a credible future cash flow to make sure they carry less default risk. Risk mitigation continues even after the lender and borrower reach an agreement. Lenders are also given a transparent view on the risk levels of all loans via a Biztech rating system, from "A" rating (safest) to "G" rating (riskiest).

3. Diversification

Biztech allows and encourages lenders to diversify their portfolio to protect against default risk. Any given lender can spread his/her investment amount across a portfolio of loans of his/her choosing based on risk ratings and interest rates. In this way, if a certain borrower has defaulted on a loan, the lender's loss is minimized. Investing small amounts across a large number of diversified loans will likely keep default rate at a reasonable and consistent level, thereby increasing returns. Diversified lenders/investors have not lost money on the platform. At an aggregate level, it gives lenders a risk-adjusted return upward of 7 percent.

4.Third Party Recovery Agency

The platform facilitates the signing of legally-binding loan agreements as well as collection and holding of borrowers' collateral in some cases which can be used to initiate criminal proceedings in case of default or sold. This coupled with a proactive and disciplined collection process. Any missed repayments will first be chased by us and later chased on your behalf by our Debt Collection Agency. This is at no cost to you as the lender.

Getting Started

This e-book has given you an introduction and overview of peer to peer lending. It is a very interesting and dynamic industry. Serious borrowers and investors need to keep up to date with all the changes. There are many resources online that can help you with this. Of course, one such resource that you can subscribe to is our blog, Biztech Academy: <http://biztechp2p.com/blog>

Now that you have a clearer picture of what peer to peer lending entails, feel free to join the P2P revolution.

Sign up as a borrower by :

- Complete the [online form](#)
- Your application will be screened and assessed
- If approved, your loan will be made visible on the platform.
- As soon as lenders have funded your loan to completion, the money will be made available to you

Sign up as a lender by :

- Complete the [online form](#)
- Transfer funds from your verified bank account to top up your Biztech account
- Browse the platform for loans that satisfy your risk to reward ratio, build a portfolio, sit back and receive repayments

If you have received a copy of this book from a friend then I encourage you to subscribe to the Biztech email list. www.biztechp2p.com

Whether you are a borrower or investor, peer to peer lending is the wave of the future. It is just getting started and now you understand why it is becoming so popular. One day in the not too distant future, we expect that more people will invest and borrow money this way. So come and join the 21st century way of lending and borrowing money.

About Biztech

Biztech is licensed to operate and conduct business. With a strong advisory board and growing team, Biztech is primed to make waves in Jamaica now. Biztech is an online peer to peer lending company with an aim to bring together screened borrowers and savvy lenders so that both can benefit financially. We assist lenders to achieve better returns by creating their own portfolio of screened borrowers. We use technology to lower costs and deliver an incredible experience. This facilitates borrowers in getting competitive interest rates.

Biztech itself is not a money lender and does not lend money. Biztech has created a peer to peer lending platform in which we connect screened borrowers to savvy lenders who are looking for better returns compared to savings account and fixed deposit. At every stage of the online process, we display the legal terms and conditions, which should be read carefully before making any decision.

For more answers to any questions you may have feel free to visit our website www.biztechp2p.com or contact us at : (876) 781-6503 (876) 796-4730 .

You can also visit our Frequently asked questions and answers section at: <http://biztechp2p.com/faqs>