

FAQs about LendForGood

What is LendForGood?

LendForGood is a global platform that harnesses the crowd to efficiently provide affordable, connected and engaged capital to meet the funding demands of impact enterprises. Think of LendForGood as a marketplace or as an exchange, where people who want to lend money to impact enterprises can find them, and can find other people to team up with to lend money to impact enterprises. LendForGood provides the information, connections and technology that enables people to do this easily, and at scale.

What is an impact enterprise?

An impact enterprise is any organisation that is using business to deliver tangible positive impacts for people and the planet. The benefits of an impact enterprise include but usually go well beyond the immediate economic benefits of business, like creating jobs and making a profit. Positive impacts might include addressing social, environmental and cultural problems, or creating new models for doing business that avoid creating these problems in the first place.

What is our mission?

Our mission is to grow impact enterprises all over the world so that these awesome businesses can deliver the transformative change we all know is needed.

What problem are we solving?

Emerging impact enterprises find it hard to access smaller amounts of affordable capital to support their development and growth as they work towards delivering more impact. Often, many of these enterprises have raised their start-up money from family, friends, and crowdfunders. Once they are up and running, they need more money to keep going and growing. Typically, they are forced to turn towards gaining more short term philanthropic support, or to sell equity too early.

Easy access to affordable debt capital is a recognised gap in funding options for them, which is sometimes called the ‘missing middle’. LendForGood provides our crowd lending marketplace to meet this gap.

By enabling the crowd to work together to supply capital through what we call impact loans, we are also helping the growing number of people around the world who want to easily, directly and actively use their own capital to create and support the delivery of impact through business.

What is our impact?

LendForGood’s impact focus is on driving an increasing amount of affordable investment into the growth of the impact enterprise sector so that there are more and more thriving businesses delivering impact. We are also interested in making sure that the ‘on the ground’ impact that any business claims it is making or trying to make is real and valuable.

How are we regulated?

Good question. Since the very beginning, we have been engaging with Australian regulators, lawyers and other experts to understand whether and how LendForGood might be regulated given the kind of marketplace we are creating. We’ve also examined the diversity of regulatory regimes in other countries, some of which cover crowd lending activities, and other crowd/peer to peer platforms. There are diverse opinions about LendForGood, extending from we fit in many boxes to we fit in none. We are stepping carefully through this question because regulation is complex and compliance is super expensive. Remember, a key part of our mission is to make the movement of capital affordable.

We see LendForGood as an emerging and unique global marketplace. Regulation should not prevent the efficient movement of private capital from people making their own decisions about the kind of businesses they want to support and promote, especially when these people want to see the business world deliver much more positive impact than it currently does. We also recognise, however, that because LendForGood enables the movement of money, we need to explore and understand regulatory considerations in different jurisdictions.

Our ongoing approach to questions about regulation is to test the market and, together with regulators and other experts, further explore how our platform can deliver best practice around the universal expectations of transparency, security and trust to provide an appropriate level of assurance for all stakeholders in the impact lending marketplace.

How do we manage risk?

For the time being, LendForGood is implementing a highly secure and transparent information and transaction system to issue and manage crowd loans.. As we evolve as an enterprise, we will be able to provide real time automated transaction management, privacy and asset control through non-custodial digital wallets.

We are developing a system in which no one can access the LendForGood platform without achieving independently verified KYC and AML compliance.

Our ownership and governance processes are open, transparent and designed to protect the interests of all stakeholders by enabling them to work together as a community to understand and manage risks.

For further information about LendForGood's risk management please contact us at: hello@lendforgood.com