



How P2P Loans Could Disrupt Traditional Consumer Lending

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The Internet has a track record of cultivating uncanny new technologies that challenge markets, playing the role of democratized Davids to challenge the corporate Goliaths.

For example, Uber challenging taxis in major urban centers, Netflix sidestepping cable network giants and Air B&B giving mom-and-pop operations the leverage to compete with multibillion dollar hospitality industry.

Consumer lending, too, has seen significant changes in the past two decades thanks to the Internet, the most important event being the rise of peer-to-peer lending, or the process of individuals funding loans for other individuals without the intervention of a middleman.

I spoke with Haas School of Business Assistant Professor of Finance Adair Morse about her latest paper, “Peer-to-Peer Crowdfunding: Information and the potential for Disruption in Consumer Lending”.

For the full article, visit

<http://www.badcredit.org/how-peer-to-peer-loans-could-disrupt-traditional-consumer-lending/>

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