



CASE STUDY: ENABLING LENDING PROCESS THROUGH P2P PLATFORM



CLIENT PROFILE

An award-winning US-based company Lend Money, approached LeewayHertz to build a next-generation blockchain-based P2P lending platform.

CLIENT REQUIREMENTS

The client wanted a decentralized lending marketplace, enabling borrowers to deal directly with lenders. The traditional lending process involves many intermediaries including brokers, auditors, and loan managers. So, they wanted a blockchain-based P2P lending platform that could eradicate the need for mediators to bring more trust to the system.

PROCESS

Lend Money contacted LeewayHertz to begin their journey in 2018. With the team of blockchain developers, LeewayHertz built a permissioned blockchain-based P2P lending platform using Hyperledger Sawtooth.

LeewayHertz started the journey with requirement gathering and identifying the stakeholders and technology interfaces. Initially, visual and technical designs were created to receive customer's feedback.

LeewayHertz developed the permission blockchain component and the following interfaces:

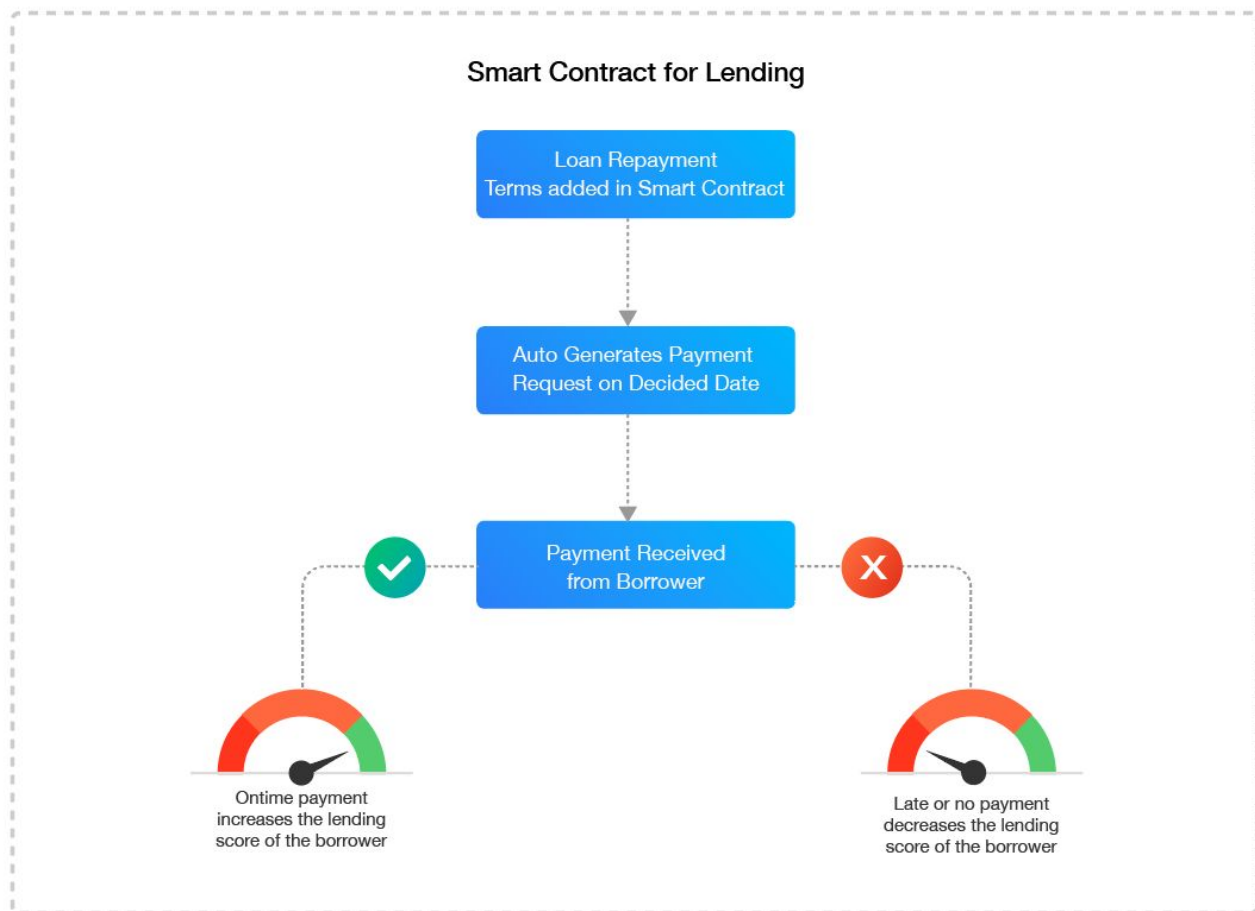
- Web Portal for Admin on MEAN stack.
- Android and iOS apps for Lenders and Borrowers.

CHALLENGE

Earlier, people required intermediaries like banks, loan officers, loan processors and underwriters to build the trust. But adding middlemen to the lending process was expensive for both financial institutions and borrowers.

Also, the involvement of many intermediaries slowed down the loan approval processes.

Moreover, the different rate of interests offered by various institutions was one of the significant challenges for the borrowers.



SOLUTION

The blockchain could disrupt the entire lending process and reduce the cost and turnaround time. Lenders and borrowers from around the world can get connected through a decentralized platform. Terms and conditions embedded in the smart contracts bring trust in the system. Due to the immutable and transparent nature of the blockchain, the company can track the user's transactions to ensure the non-involvement of users in money laundering activities.

By keeping the fixed rate of interest based on the creditworthiness of the borrower, it significantly built people's trust in the lending process.

