



## What is Peer-to-Peer Lending?



**Esther Ventures Limited**

Published Apr 11, 2022

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Peer-to-peer (P2P) lending is the practice of lending money to individuals or businesses through online services that connect lenders with borrowers.

Peer-to-peer lending companies attempt to operate with lower overhead costs, which allows them to provide their services at more competitive rates than traditional financial organizations.



with the regulatory approval to fund loans. However, this model comes with its disadvantages, namely, high interest rates, the high costs of underwriting loans, lengthy processes, and in some cases - require borrowers to pay high processing fees up front.

This has left room for the growth of peer-to-peer lenders – who connect borrowers directly to lenders or investors, who offer multiple types of loans at low rates to qualified applicants.

Esther Finance Ltd. currently has two categories of users in its P2P programme: lenders and borrowers. To use this service, whether as a lender or borrower, each user will create a profile by signing up for the platform. These profiles are verified by uploading valid verification documentation vetted and checked by an account executive assigned to each user.

A lending/borrowing limit will be assigned to each user. The user can choose to borrow up to this limit as a starting transaction. This limit is doubled upon the successful settlement of each transaction.

The lender holds the ability to evaluate borrowers by reviewing a loan request form, then indicating their desired loan terms to fund the transaction. An account executive will then reach out to facilitate the completion of the transaction.

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