iBusiness Funding, LLC, a division of Ready Capital Corporation, Enters Definitive Agreement to Acquire Funding Circle USA (FC USA), Inc. and Return Funding Circle's Newly Acquired SBLC License to the SBA

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iBusiness Funding →

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FORT LAUDERDALE, Fla., June 24, 2024 /PRNewswire/ -- iBusiness Funding LLC (iBusiness), the technology and lending services division of Ready Capital Corporation (NYSE: **RC**), and Funding Circle Holdings plc are pleased to announce a share purchase agreement, positioning iBusiness Funding, LLC as the new owner of FC USA and its subsidiaries, contingent on the return of its Small Business Lending Company (SBLC) license to the SBA.

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iBusiness Funding Logo (PRNewsfoto/iBusiness Funding)

Founder and CEO of iBusiness Funding LLC Justin Levy expressed his enthusiasm, saying, "We are thrilled to welcome the exceptional FC USA team to the iBusiness family. FC USA's mission to be the largest SBA lender for loans under $500,000 aligns with our goal to support underserved borrowers, the only difference is iBusiness achieves this goal through many SBA-approved lenders in our network."

Funding Circle CEO Lisa Jacobs said, "We are pleased to have reached an agreement with iBusiness Funding, one of the leading processors of loans to US small businesses. In iBusiness, we have found a partner that shares in our mission, and we look forward to seeing the success of the combined entity."

Ready Capital CEO Thomas Capasse said, "We're excited to acquire FC USA and expect the acquisition to yield meaningful revenue and earnings to the combined company in the years to come."

iBusiness Funding puts a heavy focus on compliance in small business lending, and is particularly impressed with FC USA's compliance program. iBusiness Funding was built with a foundation of compliance with SBA rules, as well as BSA, AML, and various other state, federal, and banking regulations.

The combined entity will bring together FC USA 's embedded partnerships and automated, tech enabled customer experience with iBusiness' Lending as a Service (LaaS) and LenderAI product offerings to deliver a best in class partner experience.

Levy further commented on the strategic direction stating:

"Throughout the due diligence process, we were continually impressed with FC USA's compliance program and their portfolio's industry-leading low default rates for over a decade, even in COVID-impacted vintages, which was especially noteworthy. FC USA has uniquely uncovered the ability to implement bank-level compliance at speed.

"After getting under the hood and seeing the processes and procedures FC USA has in place, it is no wonder that they were granted an SBLC license, as the robustness of their compliance programs is more in line with a large scale national bank as opposed to a FinTech – on top of their industry-leading low default rates and great customer experience.

"We are thrilled to offer these enhancements to our bank client network. Given that our vision is to revolutionize small business lending by supporting all banks and lenders looking to embrace technology and streamline processes, FC US's SBLC license is not essential to our business.

"Success to us is when a small business can quickly know with certainty whether they are going to be approved by their bank or lending institution, and if they aren't approved, having a roadmap to a future approval and lower cost of financing. When getting a business loan is as easy as getting a mortgage, then we know we've done our job."

About iBusiness Funding, LLC

iBusiness Funding is a leading provider of lending solutions for banks and lenders of all sizes with a specialization in SBA lending. The company is dedicated to streamlining the business lending process to allow lenders to efficiently deliver capital to small and medium-sized businesses. iBusiness Funding has processed over $7 billion in SBA loans to date, and the team processes over 1,000 business loan applications through its platform daily.

About Ready Capital Corporation

Ready Capital Corporation (NYSE: **RC**) is a multi-strategy real estate finance company that originates, acquires, finances and services lower-to-middle-market investor and owner occupied commercial real estate loans. The Company specializes in loans backed by commercial real estate, including agency multifamily, investor, construction, and bridge as well as U.S. Small Business Administration loans under its Section 7(a) program. Headquartered in New York, New York, the Company employs approximately 350 professionals nationwide.

About Funding Circle

Funding Circle (LSE: FCH) is a lending platform for small business borrowers. Established in the UK in 2010, and now the leading lending platform to SMEs, the Group also has a material and growing presence in the US. Globally, Funding Circle has provided £15bn in loans to c.135,000 businesses. For small business borrowers, Funding Circle provides a leading-edge customer experience, delivered through its technology, machine learning, and data science, coupled with a human touch. Its solutions continue to help customers access the funding they need to succeed. For lending investors, Funding Circle provides access to an alternative asset class in an underserved market and delivers robust and attractive returns.

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