

## **Group Launches to Help US Residents Find More Competitive Rates for Personal or Small Business Loans**

*Virtual Lending Group helps US borrowers compete more effectively for lower interest rate loans on new people-to-people lending marketplace Prosper*

October 29, 2006 (FPRC) -- US Citizens and small businesses that may be seeking loans can now join a group that is taking advantage of a new company called Prosper that connects lenders and borrowers online. Virtual Lending Group is led by Michele Brown and currently has 75 members.

“Until now, banks and credit card companies have controlled who is able to obtain credit and the rates people pay,” said Michele Brown. “With Prosper, individuals have the opportunity take control of consumer credit by dictating the terms of their own loan and placing it up for bid in an online auction. Virtual Lending Group assists new members and helps drive down potential interest rates even further because of our collective repayment history.”

Prosper’s people-to-people marketplace is intuitive for those who have used eBay, but instead of listing and bidding on items, people list and bid on loans. Interested borrowers begin by creating a loan listing for up to \$25,000 that includes the maximum interest rate they are willing to pay. Lenders can then begin bidding to fund portions of the loan, potentially driving down the interest rate. Once the auction has ended and the loan is funded, Prosper consolidates the bids with the lowest rates into one simple loan. Prosper handles all ongoing loan administration tasks including loan repayment and collections.

Local borrowers can also consider joining Virtual Lending Group. At Prosper, people who borrow as members of a group can get better interest rates from lenders because the character and reputation of the group gives lenders more confidence that loans will be repaid. Virtual Lending Group is comprised of people who need business cash flow, want to invest on Prosper and need funds, in over their head with credit card debt and want to consolidate or are working on building credit and raising their credit score.

Interested lenders can also participate in Prosper by making loans to other individuals. Lenders can search for loans that meet their specific criteria, including: 1) credit scores; 2) debt-to-income ratios; and 3) historical default rates. Once people are ready to bid on a loan, they set the minimum interest rate they are willing to earn, and bid in increments of \$50 to \$25,000 on loan listings that they select. Lenders often minimize their risk by bidding on many small loans across different credit grades instead of concentrating their money in one big loan to a single individual.

USA Residents Only  
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### **Keywords**

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